

THE INDEPENDENT

Nº 3,241 TUESDAY 11 MARCH 1997 WEATHER: Fog followed by sunshine (IR45p) 40p

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Mr Brown the Terminator fingered over assassinations

Anthony Bevins
Political Editor

High-level complaints have been made to Tony Blair about the "uncomradely conduct" of Gordon Brown's friends, with some "frontbenchers" comparing the shadow Chancellor's office to a killing machine.

A run of newspaper reports, denigrating and vilifying shadow cabinet members, have appeared over the last week, and senior Labour sources have noted that Mr Brown is fingered as the beneficiary of the assassinations.

Comparisons with *Terminator* and *Reservoir Dogs* were being made at Westminster yesterday, although sources close to Mr Brown issued vehement denials of involvement in the reports.

The *Independent* has been told authoritatively that the Labour leader has received complaints about in-fighting between frontbenchers, but that was officially denied last night.

Mr Blair's official spokesman said: "This is the elevation of title-tattle into news. Mr Blair has had no such complaints."

However, the leadership was clearly embarrassed by the spate of reports, likened by one shadow cabinet member to the work of a "serial killer".

Although it is possible, indeed suspected, that some reports have been generated by reporters, one of Mr Blair's aides plainly distanced the leader's office from any charge of assassination, saying it was a "golden rule" that colleagues were never, ever, rubbished.

It was accepted that other members of the shadow cabinet were not so squeamish. Last Friday's *London Evening Standard* carried a report that "Shadow Health Secretary Chris Smith is facing demotion to a junior Cabinet post if Labour wins power - after a succession of 'lacklustre' performances."

"Mr Smith has come under fire from Labour leadership sources for failing to land punches on the Tories over the NHS."

Sunday's *Observer* followed that up, saying: "An ally of Mr Brown has boasted that the Shadow Chancellor's hated rival, shadow Health Secretary Chris Smith, is in line for the chop, having faltered during a Commons debate."

"In his former post as shadow Social Security Secretary, Mr Smith fought a long battle with the Treasury team over child benefit."

That report also put the knife into John Prescott, Labour's deputy leader, saying that Mr Blair had "and" plans to create a super-ministry post for his deputy, providing him with a power-base to rival the Treasury.

"It is a victory for the shadow Chancellor, Gordon Brown, who is now unlikely to have any serious rival on economic management."

Robin Cook, Labour spokesman on foreign affairs and a rival of Mr Brown, has also taken criticism during the week, but some colleagues believe he has brought it on his own head by talking up the chances of a Labour "landslide" and by attacking two Tory right-wingers, Michael Portillo and John Redwood, for "racism".

But the most astonishing promotion of Mr Brown was accompanied by an alleged demotion for Peter Mandelson, who is managing Labour's election campaign. Last Thursday's *Daily Telegraph* reported that Mr Blair had appointed Mr Brown to be the party's chief campaign manager. "The role places Mr Brown in an influential position to set the tone of Labour's campaign and, if the party wins, he will be credited with winning the first election for Labour in almost 20 years."

The report said: "Mr Blair's decision means that Peter Mandelson, who is in charge of election planning at the party headquarters in Millbank Tower, will stay in the background."

One senior Labour figure told the *Independent* last night: "This is all coming from one place. Someone, somewhere, is running out of control."

One party source said: "It will be a matter of getting a quart into a pint pot, there is not enough room for everyone."



The shadow Chancellor and aides going to work at Westminster. (Photomontage, with grateful apologies to Quentin Tarantino, the director of *Reservoir Dogs*, by Jerome Cornille. Below: some of the controversial stories of the past week.)

Daily Mail
Cocksure Cook
leaves Labour
touching wood

The Observer
Blair axes Prescott's
'super-ministry' plan

Evening Standard
'Lacklustre' Smith
faces demotion if
Blair gets to No 10

THE EXPRESS
Harriet is
ousted by
Beckett in
power bid

Meat throughout Europe is infected with BSE

Katherine Butler
Brussels

Consumers throughout Europe are being exposed to BSE-infected meat, according to an official European Commission report yesterday, which also highlighted alarmingly lax health controls.

The report supports the view that the extent of BSE throughout the European Union is much wider than governments are prepared to admit.

Brussels is poised to revive attempts to extend across Europe the British ban on the human consumption of offal from cattle, sheep and goats which are susceptible to infection by BSE, or its sheep equivalent, scrapie.

Publication of the report in Brussels came as the Government pledged to make a Commons statement on whether British cattle infected by BSE had been buried in landfill sites rather than destroyed.

The statement was promised by Roger Freeman, Cabinet minister responsible for the cattle cull, after Labour MP Helen Jackson protested that ministerial answers were being "contradicted and countermanded".

Her complaint followed yesterday's *Independent* front-page report on Commons replies to Opposition spokesman Gavin Strang, from Douglas Hogg, the Minister of Agriculture, in which it was disclosed 6,120 BSE-suspect carcasses had been buried, three of them last year.

The ministry said parts of Mr Hogg's answers were wrong, and would be corrected by Mr

Hogg. Instead, Mr Freeman appeared to pull rank and promised the House a full statement.

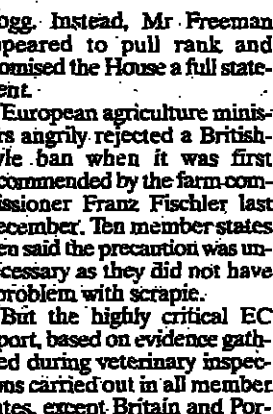
European agriculture ministers angrily rejected a British-style ban when it was first recommended by the farm-commissioner Franz Fischler last December. Ten member states then said the precaution was unnecessary as they did not have a problem with scrapie.

But the highly critical EC report, based on evidence gathered during veterinary inspections carried out in all member states, except Britain and Portugal, suggests if BSE is present in European herds, governments are not detecting it. They are failing also to prevent meat which might be diseased from entering the human food chain.

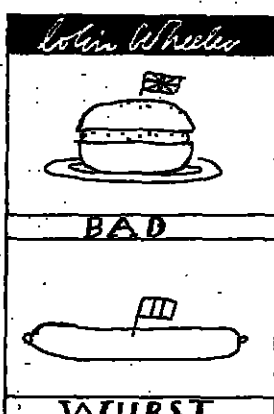
Disseminated cattle, slaughtered by some continental member states as "rabies suspects", may have contracted BSE or other central nervous system disorders, and there is no guarantee that their carcasses are not being allowed into the food chain, the report says.

Scrapie, thought to be the origin of BSE in Britain, is more prevalent in other European countries than previously admitted, the report suggests. This is because surveillance methods are thought to be unreliable. Some countries depend on questionnaires or on interviews with sheep farmers.

Methods of dealing with scrapie vary widely, from slaughtering entire herds to doing nothing. The failures are put down to lack of implementation of EU rules by national veterinary departments, rendering plants and animal feed mills, and to absence of properly trained scientific staff



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capable of diagnosing the disease. Brain samples taken to laboratories are frequently unsuitable for examination, making detection impossible.

Commission officials said the criticisms applied more to some countries than others but details on individual states are being kept confidential. Officially, only about 300 cases of BSE have been recorded outside Britain. Ireland with 204, accounts for most, followed by Portugal and France with 53 and 25. Germany claims any cases detected there were in cattle imported from the UK.

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The British dinner, page 3

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The British dinner, page 3

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QUICKLY

Speeding in fog kills 4
Four people were killed and 62 injured in dense fog on the M42 today yesterday. Some 60 vehicles slid off southbound lanes at 3.40pm. Minutes later 30 others crashed going north. Motorists driving too fast and too close, police said, were to blame. Page 3

SFO fraud trial pledge
Rosalind Wright, the new director designate of the Serious Fraud Office, yesterday pledged to examine suggestions for using the civil law to tackle white-collar crime and to seek ways of cutting the length of fraud trials. Page 16

City's straight line on gay bar kiss

Tim Cornwell
Los Angeles

San Francisco's Human Rights Commission, the city's guardian against discrimination on the basis of sexual orientation, has just turned San Francisco's loaded sexual politics on its head. It has reprimanded a popular gay and lesbian bar for intolerant behaviour.

The offence: The Cafe, known as the city's busiest homosexual bar, had banned straight kissing. This "no straight make-

out" policy violated anti-discrimination statutes, the commission ruled.

It all began last summer, when a straight couple - along with two gay friends - were bounced from The Cafe when they began kissing at the bar.

When one of their gay friends complained, the manager of the bar, Morgan Gorrono, wrote to the *Bay Area Reporter*, defending his decision to throw them out. Straight people will "be asked not to, once," he wrote. "If they don't like it, they

can leave." The Cafe is located in the Castro district, San Francisco's celebrated gay enclave.

But while it does a thriving business with two bars and a dance floor, it is one of a dwindling number of such bars.

There are now only about 35 from closer to a hundred a few years ago. The Aids epidemic hit the homosexual social scene hard, and straight people have taken over many places, Mr Gorrono complained.

The Castro district remains a sanctuary, where homosexu-

als can "still hold hands and not worry about getting fag-bashed", he said.

In an interview yesterday, Mr Gorrono explained the bar's policy. "A peck on the cheek is fine," he said.

"But you can't have heavy make-outs. It's our number-one complaint from customers. They find it really offensive, like their space is being invaded." The couple were not just kissing but drunk and blocking the bar, he insisted.

Mr Gorrono has refused the

commission's request that he place a public apology to the four friends in the local press and on the door of his bar.

Somewhat grudgingly, he has changed the policy. Although gay, he was once married himself and understands the need to be more sensitive, he said.

In addition to its one existing dress code, that male and female customers keep their shirts on, The Cafe will now officially ban all heavy kissing - for persons of gay, straight, or any other sexual orientation.

THE BROADSHEET	Home News	2-7	Sport	21-24	Dr Phil Hammond	3
Business & City	Leading Articles	13	Health			8,9
Comment	Letters	13	THE TABLOID			12,13
Foreign News	Obituaries	12	Arts	4,5	Radio & TV	15,16
Gazette	Shares	19	Arts Reviews	11	Weather	14

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significant shorts

Offers flood in for Cardinal's anti-abortion appeal

The Catholic Church in Scotland was yesterday flooded with calls pledging money after Cardinal Thomas Winning's offer at the weekend of practical and financial help for any woman who might otherwise have an abortion.

The Cardinal revealed on Sunday that one man had pledged £50,000 and a woman had promised a substantial gift when she sold her house. Offers of help continued yesterday and the Archdiocese Office also received calls from pregnant women wanting more information. Father Noel Barry said one woman had called him at 3am asking for help.

"We have had a steady stream of calls promising to help but until the cheques arrive we will have no idea how much people are wanting to donate," he said. The money will probably be added to the diocese's pro-life fund which receives annual donations of around £40,000 but Father Barry said they would have to look carefully at how to distribute the money.

Kate Watson-Smyth
Leading article, page 13

Civil servants elect new leader

The new leader of the union for senior civil servants promised yesterday to strengthen the rights of his members, including the permanent secretaries of government departments.

Jonathan Baume was officially elected general secretary of the Association of First Division Civil Servants (FDA). He takes over from the former Liz Symons, now Baroness Symons of Vernham Dean. Mr Baume, 43, polled 61 per cent of the votes in a ballot of union members, against 39 per cent won by his rival candidate, Tony Engel.

He vowed yesterday to take the 10,000-strong union forward. "The FDA has gained a formidable reputation in standing up for its members and for standards and openness in government, and I want to build on these strengths," he said.

Matthew Brace

Yorkshire Ripper stabbed in eyes

The Yorkshire Ripper, Peter Sutcliffe, was stabbed in both eyes with a fibre-tipped pen during an attack at Broadmoor Hospital yesterday. Sutcliffe, 50, was taken to the eye unit at Frimley Park Hospital, Surrey, with serious injuries to both eyes.

Sutcliffe was jailed for 13 killings at the Old Bailey in 1981 where he was ordered to serve a minimum of 30 years. Broadmoor said the incident happened yesterday afternoon but would not confirm Sutcliffe was the victim or who carried out the attack.

The attack comes a week after Stephen Dorrell, the Secretary of State for Health, announced a review of Broadmoor, focusing on security and quality of care. The move followed criticism of security and staffing levels at Broadmoor by the Prison Officers' Association, which warned in a recent report that the hospital was reaching "breaking point".

Matthew Brace

Northern Ireland Forum suspended

The Northern Ireland Forum is to be suspended, the Government announced yesterday.

Sir Patrick Mayhew, the retiring Secretary of State, said it would be up to his successor to consider reviving the forum, set up last June just before the start of the multi-party talks on the future of Northern Ireland. Those discussions have been adjourned until 3 June, once the general election and the Northern Ireland local government elections are out of the way.

Skipper drowns as trawlers collide

Irish marine authorities last night issued a detention order on a British registered Spanish vessel involved in a daylight collision on Sunday with an Irish trawler, whose skipper was drowned.

Danny O'Driscoll, 42, skipper of the 45ft trawler *The Exodus*, was pulled from the water after his boat went down but was dead at arrival on hospital. Gardai on Sunday night boarded the Spanish vessel, the 125ft long *Sua Horse* at Castletownbere and took statements from crew. An Irish Fisheries protection vessel carrying divers yesterday sailed to the scene of the collision, 10 miles off Dursey Island off west Cork to carry out further investigations.

The sinking follows a series of confrontations between small Irish vessels and large long-line Spanish fishing boats off the south west coast.

Alan Murdoch

Brains of Clydeside sit-in dies

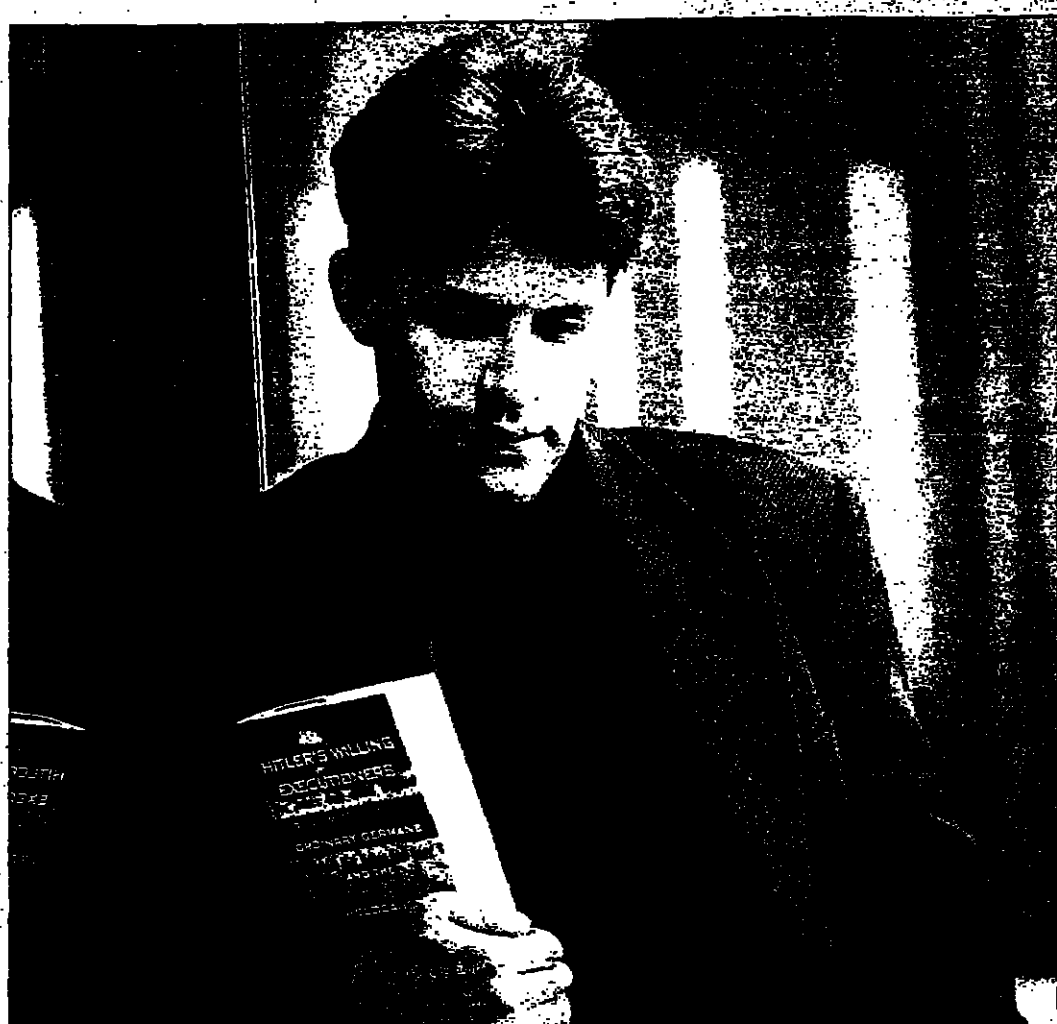
Jimmy Airlie, one of the unsung giants of post-war trade unionism, died early yesterday aged 60.

Mr Airlie, the "brains" behind the historic sit-in at Upper Clyde Shipbuilders in the Seventies, died at his home in Erskine after a six-month battle against cancer.

A member of the executive of the Amalgamated Engineering and Electrical Union and former Communist Party member, he was considered to be one of the most professional negotiators of his era.

Barrie Clement
Obituary, page 12

people



Daniel Goldhagen: "Germans have shown they can remake their society"

Germans show democratic spirit to accuser supreme

The nation branded as a bunch of congenital mass murderers has lavished praise upon its accuser. Daniel Goldhagen, the Harvard sociologist and author of *Hitler's Willing Executioners - Ordinary Germans and the Holocaust*, was due to receive Germany's prestigious Democracy Prize here last night.

"I am only a messenger," the 38-year old academic said yesterday. The message is that pro-war Germany was infused with "virulent, eliminationist anti-Semitism". The Final Solution, he argued, enjoyed broad support and was carried out by ordinary Germans.

For this insight, Mr Goldhagen was pilloried by historians in Israel and Germany, but rewarded in sales. The German translation, which came out last summer, has been on the non-fiction best-seller list ever since - perhaps the ultimate proof of the marketing world's adage that there is no such thing as bad publicity.

The book itself was turgid, repetitive and shamelessly subjective, written by the son of a Holocaust survivor seemingly bent on revenge. But even Mr Goldhagen's

most savage detractors conceded that he had based his study on documents previously ignored. These did indicate that far more people had been involved in the murder of Jews than Germans would care to admit.

Mr Goldhagen confronted his critics at a series of public debates last year. The soft-spoken American, communicating in English, always appeared to be on the defensive and admitted that "I skirted over some of this history a little too quickly". His opponents also gave ground and his work provoked a debate about a subject Germans cannot discuss enough, cleansing public life of some of the half-truths and bare-faced lies to which a minority, especially among the older generation, still try to cling.

The bitterness of last year gone, Mr Goldhagen is now full of praise for today's Germans. "The Federal Republic shows something incredibly positive - that society can remake itself," he said yesterday before receiving the \$4,100 prize in recognition of the "impulse" he gave to the Holocaust debate. Imre Karacs, Bonn

Doctor in Aids scare fails to make hearing

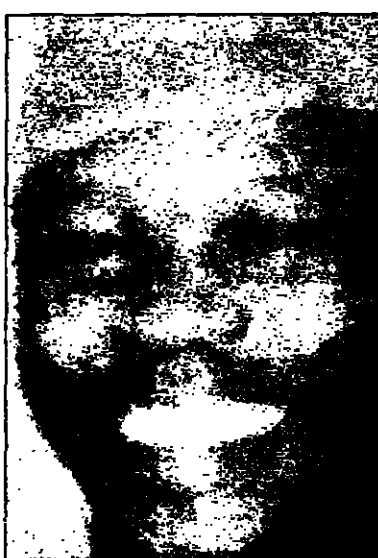
The doctor at the centre of the latest Aids scare failed to get an HIV test for seven months after he was warned he might be at risk, it was alleged at a professional misconduct hearing yesterday.

Patrick Ngosa failed to attend the hearing at the British Medical Association's headquarters in central London. In his absence he was accused of failing to verify his HIV status and taking adequate steps for the protection of patients after a former lover told him last May that she had been diagnosed as HIV-positive.

The charges also claimed that Dr Ngosa, who trained in Zambia and began work in Britain six years ago, had denied the 20-month sexual relationship with the woman despite being questioned about it by colleagues on three separate occasions.

Nearly 7,000 people have telephoned hotlines for advice and reassurance since hospitals in London, Essex, Gloucestershire and Warwickshire announced a tawdry of all records of women who might be at some small risk of infection after being treated by the doctor in obstetrics and gynaecology in the last six years.

Nichola Davies, for Dr Ngosa, of Ilford, Essex, said his public identification had been his "worst nightmare" and was probably the reason for his non-attendance. She accused the press of a "witch hunt" and asked for the case to be heard in camera. After



Patrick Ngosa: No show

three hours deliberations, the committee decided the doctor should be named and the proceedings made public. They then rejected a further application from Miss Davies for the case to be adjourned. Miss Davies said Dr Ngosa admitted the facts but denied serious professional misconduct. It is not clear whether he will attend today's resumed hearing.

However, Rosalind Foster, for the General Medical Council, said although the public was now being protected to "a limited extent" that was not the whole story. It only came to light last week that he had worked at the Rugby Hospital in Warwickshire. "The anxiety is that this doctor may have practised elsewhere. We simply do not know the situation."

Louise Jury

Muriel Gray's daughter in fight for life

The daughter of television presenter Muriel Gray today remained critically ill in hospital after nearly drowning in a garden pond.

The two-year-old child, who is called Rowan, was rushed to Glasgow's Yorkhill Hospital on Thursday after being found face down in the pond at a house in Bearsden.

A hospital spokesman said today: "The child has had another satisfactory night, but she remains in a critical but stable condition."

It is understood that Ms Gray, 38, and her husband, the film director Hamish Barbour - who also have a young son - are at their daughter's bedside in Yorkhill's intensive care unit.

The accident is believed to have happened as Rowan was being looked after by her nanny. She had been playing in a neighbour's garden when she apparently tumbled into the pond.

Strathclyde Police have said there are no suspicious circumstances.

Ms Gray who shot to fame in the 1980s as presenter of Channel 4's rock show *The Tube*. Since then she has fronted a number of shows, including the climbing series *The Munro Show*.

briefing

HEALTH

Smokers four times more likely to quit at special clinics

Britain's twelve million smokers are four times more likely to be able to kick the habit by attending a specialist clinic than by trying on their own, a report published yesterday says.

The report, in advance of tomorrow's No Smoking Day, says that the methods used by those clinics could be widely adopted by all smokers wanting to give up.

However, there are only about six hospital clinics in the UK, despite the fact that their annual costs are less than the cost of a single heart transplant - about £20,000 a year compared with £30,000 - said the report's author, Professor Robert West, of St George's Hospital Medical School in south-west London.

The four crucial ingredients are: making the commitment (setting a date to quit and giving up completely); making the break (by getting rid of all smoking materials); giving up with others; and by the use of nicotine replacement products.

A new nicotine replacement product is about to become available - the nicotine inhaler (right) - to add to the nicotine patch and gum. Already licensed in Sweden, Denmark and Italy, the device, which resembles a cigarette holder, is being tried on 500 smokers at St George's Hospital and the Royal London Hospital.

Getting serious about stopping smoking, Munro and Foster Communications, 0171 439 7177
Annabel Ferriman



TELEVISION

Walker proves racing certainty

Fans of the motor racing commentator Murray Walker appear to have followed him en masse from the BBC to ITV.

ITV's broadcast of the Australian Grand Prix, its first Formula 1 race, on Sunday afternoon secured exactly the same ratings as the same race did when broadcast on the BBC last year. The race was seen by an average of 3.2m viewers and peaked at 4m for the final few laps. ITV expects to top the BBC's figures once figures for the number of viewers on video is included in the ratings.

Almost 500,000 people stayed up until 3am on Sunday morning to watch the race live compared with 300,000 the year before.

ITV plucked Formula One's five-year contract from the BBC last year for an estimated £70m, and followed by poaching Walker, seen as the voice of motor sport. The contract is valuable to the network because it brings a young male audience direct from the BBC.

Formula One's organising body is reported to be considering a rotation to take advantage of pay-per-view opportunities on digital television, worth a possible £1bn a year.

Paul McCann

CONTRACEPTION

More teenage girls visiting clinics

One out of every ten 14- to 15-year-old girls attended a contraceptive clinic in 1995-96, a 15 per cent rise over the previous year, figures from the Department of Health revealed yesterday.

A total of 61,000 attended such clinics, compared with 53,000 the previous year, and only 8,000 in 1975, when records first began. But a spokesman for the Family Planning Association said that their attendance did not necessarily mean that they were sexually active. "They might have just picked up a couple of leaflets for use at a later date," she said. The teenage pregnancy rate in 1989-90 was 10 in 1,000, whereas the most recent figures showed that it had fallen to 8.3 per 1,000.

Victoria Gillick, the anti-contraception campaigner, is to present a petition to Downing Street tomorrow demanding doctors only prescribe the pill to underage girls in the "most exceptional cases". She is backing the crusade of Jenny Bacon, whose 16-year-old daughter died after being prescribed the pill.

Annabel Ferriman

CHARITIES

Police Bill may ruin youth groups

Small youth charities could be forced to close down if the Government refuses to pay for criminal records of volunteers to be checked, the Voluntary Youth Sector warned yesterday.

The Police Bill, which would establish the Criminal Records Agency, is due to be discussed in committee this week. The Government is seeking to overturn Lord Weatherill's amendments which would exempt volunteers from paying fees for criminal record checks.

The VYS, which represents over two million young people, says it would cost charities who work with young people and voluntary adults around £40m in the first year and about £2m annually thereafter. A spokesman for the Scout Movement said: "This would be a major financial burden on large charities but totally intolerable for many of the smaller ones."

"What is being proposed at the present time amounts to no more than a tax on volunteering," he added. "We want to see free criminal record checks for volunteers included in a wider package of vetting and sharing information as recommended by Lord Cullen in his report. Police checks alone would not have identified Thomas Hamilton as a danger."

Glenda Cooper



NEWSPAPERS SUPPORT RECYCLING

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Tangled wrecks: Emergency crews surveying the scene of yesterday's pile-up on the M42 in Hereford and Worcester, in which four people died. The vehicles were marked to aid identification

Not the road to Basra - the road to Solihull

Randeep Ramesh
Transport Correspondent

It is not the road to Basra, but motorway to Birmingham. The stark image is reminiscent of the seared remains of Iraqi army vehicles caught by allied aerial bombardment six years ago, this scene of destruction is the result of man's war against the weather.

Three people were killed and 62 injured as drivers sped through a dense fog that fell on stretches of the M42 yesterday morning. Sixty vehicles collided on the southbound lanes at 6.40am. Minutes later 30 others crashed on the northbound carriageway. Police said motorists driving too fast, too close to each other and

ignoring warning signs were to blame. Doug Mackay, deputy chief fire officer for Hereford and Worcester, said: "When I was driving to the scene at 8am with my blue lights flashing and at a reasonable speed, I still had cars overtake me travelling in excess of 70mph. That is in conditions of 50 metres visibility. It is just disgusting behaviour."

Many survivors escaped with only moments to spare. Ann Gaskell, from London, managed to just stop short of the pile of crashed cars on the motorway. "But then a car in the fast lane smashed into me and a van came crashing over the roof of my Rover. I thought I have got to get out, and all I can remember is just screaming. I feared for my life and the car behind mine went up in flames," she said.

Two of the dead were Lisa Susan Dodson, 21, a student from Kidderminster, Hereford and Worcester, and Malcolm Macdonald, a postal worker in his Fifties, who was in a Royal Mail van.

For the emergency crews, it was an "unnecessary tragedy". As fire crews and accident investigators began combing through the burnt-out vehicles, police said they could not rule out finding more bodies. The Highways Agency, which is responsible for Britain's motorways, is looking into methods of predicting fog build-up and has pinpointed danger spots. The M42 tops the list.

Hospital staff said many of the injured were mainly young men. Experts suggested that these were the most likely drivers to be involved in a pile-up. "They are known as high-violators," said Dr Steve Stradling, senior lecturer in the Driver Behaviour Research Unit at Manchester University.

The pay's the thing ...

Actors say that reservoir of British talent is drying up because of low wages

Britain's supply of world-class acting talent is under threat because poor pay and prospects is driving young actors away from the traditional training grounds of the regional repertory theatres.

While 100 well-known actors, from Neil Pearson to Donald Sinden, met at the National Theatre yesterday to publicise Equity's campaign to raise the minimum pay in rep from £190 a week to £250, those at the coal face told of a generation of actors and their agents who are turning their backs on the UK's network of regional theatres.

Ian Kelly, an actor who has appeared in *Arctic* and *Old Lace* in Salisbury and toured with Theatre Cymru, said an actor's way of life has changed: "People used to get their training in rep, someone like Derek Jacobi or Tom Courtenay would have spent eight years in rep. Rep would stretch you

artistically and strengthen you as an actor. You just cannot have careers like that anymore." Chris Garner, 32, who has just finished five months at Stoke's New Vic, claims he was better off before he went to Stoke than afterwards. He needs part-time jobs and parental help to survive in rep.

Instead of all that, young actors increasingly prefer to stay in London where they may have a better chance of being spotted in fringe productions above pubs.

"Casting people are very, very lazy," said Celia Robertson, a 29-year-old actress who has never done regional rep. "So there's no chance of being spotted out of London. You would only go to regional rep if the part were great." While the Equity minimum is £190, fringe productions in London often pay less than £100. "Sometimes all you get is a travelcard," said Ms

Robertson.

Many young actors are now discouraged from taking parts in regional rep productions by their agents because the money is so poor. "The attitude of many London agents is to keep you unemployed in London on the off-chance that you will make an ad every few months or pick up some TV work," said one actor who didn't wish to be named. "They try not to put you up for parts that essentially involve a pay cut for them too."

Equity is arguing to see rates in rep increased to £250, a week but it is possible for inexperienced actors to earn £300 a day acting in a TV commercial. If they are lucky and the ad is repeated for years their earnings from a few days work could eventually reach £10,000.

Neil Pearson believes that the rep system

is an investment for the future. "I started in regional theatre and it is the only reason that I can now pay the big fat tax bill that I do," he said. "It is not outrageous to ask £250 for a week's work."

The problem for Equity is that the Theatre Managers Association, which has so far offered a £200 a week minimum agrees that actors are poorly paid - the av-

erage income of Equity's 37,000 members is between £3,000 and £5,000 a year. The TMA is dependant on subsidies from local councils and the Arts Council which have fallen by 4 per cent in real terms over the last ten years so there is little new money for the actors. Equity argues that that means its members are the ones subsidising the regional reps.



Showing solidarity: Honor Blackman lending her support to the Equity regional pay campaign Photograph: Brian Harris

Tomorrow's great British meal - water, gravy and two veg

Charles Arthur
Science Editor

Meat-free pork sausages and chunks of ham whose meat ingredient is added water could become legal next January.

Proposals by the Ministry of Agriculture, Fisheries and Food (MAFF) aimed at cutting red tape have achieved the rare double of pleasing both consumer groups and the meat industry.

"It could mean the legalised debasement of many products that are a part of the daily diet, especially for people on a low income," David Walker, chief trading standards officer at

Shropshire County Council, said. He said that the proposals - in which meat products would have no legal minimum meat content, and water would simply be listed in the ingredients - are "a virtual licence to print money" for unscrupulous food manufacturers.

The industry is also angry about the plans. "We are not happy with them because they don't offer protection from pressure to reduce the meat in meat products," Elizabeth Sunley, assistant director of the British Meat Manufacturers' Association, said last night. "Pork sausages have to have 65 per cent

meat now ... We don't feel change would be helpful." The BMAA has submitted a reply to MAFF opposing the changes, to be brought in next January.

The suggestions were contained in a paper called "Review of the Meat Products and Spreadable Fish Product Regulations 1984", as part of the 1993 initiative to cut red tape in government launched by Michael Heseltine, then president of the Board of Trade.

The regulations were introduced following an outcry in the early Eighties over the use of machines which can inject water into meat. In 1984 new legislation

forced companies to announce on the front of packaging what percentage of water had been added. But under the new rules, that would not be necessary.

"The technology of those water machines has moved on," Mr Walker said. "Now they can inject up to 120 per cent of water." That would double the weight of the product, but more than half would be water.

A MAFF spokeswoman said last night that it had not had time to evaluate the responses to the paper. The official deadline for replies was 1 March, though responses may be considered if they arrive this week.

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politics

Labour stars like Angela Eagle and Gwyneth Dunwoody had dressed up for transport questions. The bobbed Ms Eagle was in navy blue jacket and light blue shirt, looking like a smart waitress from Prisoner Cell Block H. Ms Dunwoody was in a stunning purple outfit, making her look (as she sat - ripely - on the green leather) like a Victoria plum, ready for canning.

They were there for fun. Such as when Dr Charles Goodson-Wicks (C, Wimbledon), former Silver Stick Medical Officer with the Life Guard (one can only guess what the stick was used for), drew attention to the "gross incompetence" of South West Trains. But (he asserted) this "unexceptional exception" proved the rule that privatisation was better than what

preceded it. It was, he thundered, "in stark contrast to the bad old days", when there were strikes and militancy and suchlike abominations. "At least you knew when your train was going to be cancelled", quipped Tony Banks.

John Owen Jones (Cardiff Central), one of Labour's high-flyers (small beard - sanctimonious manner) raised the question of a constituent of his who - en route for Aldershot - found himself "stranded in Ascot". The generously girthed junior minister, John Watts (who resembles in speech, demeanour and posture a slightly dim Essex police desk sergeant addressing a student meeting), sympathised - but opined that "as someone who lives in Ascot, there are worse places to be stranded".

This was either a piece of spontaneous idiocy (of course there are

DAVID Aaronovitch

Building bridges to rescue stranded rail passengers

worse places to be stranded than where you live - like almost anywhere else for instance) - or an open invitation for other distressed Welsh travellers to stop over at the Wartses for a cup of tea and a Vietnamese Whirl.

But one place, above all, seemed to feature in Labour attacks on the

Ministerial. It was first mentioned by Stephen Timms, the 18ft tall Labour sixth-former from Newham (whose family hope he will stop growing soon, since the Chamber microphones keep on getting entangled in his hair). Were there plans, he demanded, for a new road bridge "over the river Lea"?

He was followed by Islington's own Jeremy Corbyn, elegantly turned out in taupe wind-cheater, with a fetching chocolate corduroy collar. There were real safety concerns on the North London Line, he told the House, occasioned by problems with a railway bridge - "over the river Lea".

It seems that the demand for a new bridge to be built on the river Lea is now overwhelming. But since - under Labour - there can be no public money made available for this venture, and since things Japanese are now very popular with the Opposition, I began to toy with a solution involving redundant Tory MPs being marched to the banks of the Lea, and put to work building a new bridge. Just as I dismissed this thought as inhumane, David Evans - the controversial MP for Welwyn - an 'Atfield

- entered the Chamber, and stood there for several minutes, eying fellow MPs with ill-disguised bellicosity; probably thinking up disreputable epithets for use the next time he meets some sixth formers.

When Labour's Keith Bradley (short beard, curate's intensity) rose for a harmless little rant, I caught Mr Evans either brushing the lapel of his jacket rhythmically - or making a very vulgar gesture.

Suddenly I pictured him - sweat-stained in his khaki fatigues - up to his waist in the turbid waters of the Lea, staking piles and hauling timbers. Next to him toiled a bent John Marshall, a humbled Jacques "buzzsaw" Arnold and a silenced Lady Olga Maitland. All of them - at last - doing something useful.

No shortage of possible contenders for an elected city boss at Mansion House



Glenda Jackson, former actress and MP. Qualifications: Good on transport, adored by the chattering classes.

Sir Peter Levene, businessman, millennium project organiser. Qualifications: already in line to be Lord Mayor in 1999.

Tory deal on cover for elderly care costs

Government courts middle classes forced to sell homes to pay for help

Glenda Cooper and Colin Brown

The Government's promise of a "new deal" for the elderly, which would let them keep their homes if they need long-term residential care, was attacked as an "election fig leaf" by charities and health bodies.

Labour is almost certain to cancel the plan in which people would take out insurance for the cost of residential care, claiming it would only help those who could afford premiums.

The plans were seen as an election gamble by Health Secretary Stephen Dorrell to outflank Labour in the election, over an issue which has caused outrage among middle class voters who have been forced to sell their homes to pay for long-term care in old age.

Chris Smith, Labour's health spokesman, said an incoming Labour Government would establish a Royal Commission to carry out a full review of the care system and it would introduce a long-term care charter setting out entitlements.

Labour would introduce a national charging policy for domiciliary care so that people knew what capital and income was going to be taken into account.

Under the Government's proposals, those taking out insurance policies will be allowed to keep £1.50 in assets for every £1 worth of insurance, before losing state aid for their long-term care.

The Health Secretary, publishing the draft Bill to establish the scheme, said it would rectify an "injustice" in the present system which is currently worth £1bn a year. It is expected that he will announce tomorrow that local authorities will be forced to sell off remaining care homes and use private, or voluntary groups to provide those services.

At present, those who need long-term care have the first £10,000 worth of their assets disregarded, so those with less than that amount have their care needs met in full by the state.

Those with assets of between £10,000 and £16,000 are means tested but those with more than that have to meet the cost in full, with the result that thousands are forced to sell their homes each year.

Under the new proposals, the state will disregard £1.50 worth of assets for every £1 worth of private insurance bought. So, for example, if your house is worth £60,000, the first £10,000 is disregarded and you then have to buy £33,500 worth of cover to bring you up to the £50,000 you need to protect your house.

The premium can be taken out at retirement age, or before, and can be paid in a lump sum or in instalments. Figures put out by the Department of Health suggest that for someone protecting £50,000 worth of

assets a lump sum premium would be £5,400 for a man and £8,100 for a woman.

Once the cover has been exhausted - residential and nursing care costs between £200 and £350 a week - the local authority will have to cover your care in future and will not be able to seize your home.

According to the department, 18 per cent of men and 36 per cent of women aged 65 run the risk of admission to a residential home. A quarter of people currently pay the full cost and the Department of Health estimates that between 20 and 50 per cent of self-funders will take up the scheme.

But Sally Greengross, director general of Age Concern, warned against "scaremongering" when it comes to the future of paying for care. She said only around one in 20 older people are currently in long-term care.

"In order to have an insur-

ance policy to protect assets, you need a good income and an asset worth protecting. This will only affect a minority," she said.

Ms Greengross was joined by the Continuing Care Conference (CCC), a group of commercial and charitable organisations calling for the state to disregard £20 worth of assets for every £1 worth of private insurance bought. "This would benefit a far greater number of people and would also make it possible for people with slender resources to protect their assets," said a CCC spokesman.

The NHS Support Federation condemned the scheme, saying in practice the proposals would only cover houses worth less than £60,000. "This scheme is nothing but a fig leaf for the election," said Michael Walker, its director. "The Government cannot even guarantee that the present level of 40,000 people losing their homes to pay for care will fall."

A spokesman for the Association of British Insurers said: "We are not there to provide a safety net. That has always got to be the role of government."

Stephen Dorrell: Election gamble to outflank Labour

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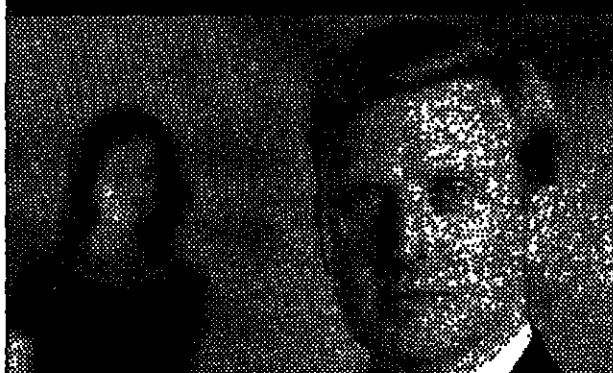
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Leading Article, page 13

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Blair to examine plans for US-style elected mayors

Fran Abrams Political Correspondent

Powerful, American-style elected mayors could change the face of local government under a plan which is expected to be examined closely by Tony Blair.

The proposal, published yesterday by the Fabian Society, is likely to be seen as an early blueprint for some of the changes Labour might make in government.

The Labour leader has already said he favours the idea of an elected mayor for London, and it is possible that the party would legislate to allow other areas to pick up the idea.

Although there would be no immediate plan to impose mayoral elections on councils, different areas would be encouraged to experiment so that a gradual reform could take place.

There could be fierce resistance to the idea in many town halls, where councillors fear it would leech away their power and concentrate control in the hands of one person. Research has shown that while more than 70 per cent of the public wanted elected mayors, only 16 per cent of councillors agreed.

The report's authors say their idea could revitalise communities and attract a higher calibre of local politician. One-third of existing councillors are retired and 80 per cent are over 45, but the new-style mayors would have a salary and a small staff.

Elected mayors would have sweeping powers and would oversee the running of the administration as well as proposing the annual budget and community plan. They would be able to choose a small

cabinet of council members.

The mayor would be elected on an Alternative Vote system which would ensure that he or she had the support of at least 50 per cent of the electorate.

Another of the paper's proposals, less likely to be taken up by Mr Blair, suggests that councillors should be elected by proportional representation.

In London, the mayor would be limited to a maximum of three four-year terms and his or her main role would be to provide a voice for the capital.

The person would also be in charge of transport strategy, land use planning, economic development and public safety.

The new Greater London authority would have only 30 members, three for each Euro constituency.

The report - written by Margaret Hodge, the Labour MP

for Barking and former Islington council leader, with Professor Gerry Stoker, from the University of Strathclyde, and Professor Steve Leach, from De Montfort University - says the idea will make people more proud of their communities. Less than one-third of people voted in the 1996 council elections, it says.

Ms Hodge said that the aim was to find someone who could actively promote their area, and who could act as a focus for civic identity.

"We have had 18 years of local government being pushed around. We aren't going to turn the clock back to the Tammany Hall politics of the Sixties and Seventies, so we need something new," she said. "People have been arguing about the principle, and this is a first attempt to put flesh on the options."

Tories will block a 'botched' single currency, says Major

Anthony Bevins Political Editor

John Major said yesterday that a Conservative government would try to block a "botched" European single currency.

He told a Talk Radio phone-in that the United Kingdom would be damaged by an ill-founded Euro-currency, and if he was still Prime Minister, he would do his utmost to stop it when membership selection took place in a year's time.

But the problem any Prime Minister would face is that no

one country has a veto over single currency membership. Selection is by qualified majority vote, and the UK would need to team up with other countries to block an individual applicant.

Even an alliance between the UK, Denmark, Sweden, Finland and Greece would not add up to enough votes to create a blocking minority. But Mr Major said a single currency "botch" would create unemployment in the UK.

The first thing that would happen if they made a botch of it, and had a weak, insub-

stantial European currency, is that all the money that flows into Europe would then go into the hard currencies, the strong currencies - the Swiss franc and sterling.

That would push up the exchange rate of sterling, and that would make all our exporters uncompetitive.

"We would have done nothing wrong, but suddenly the way the world's markets operate, they buy sterling, they put up our exchange rate, we'd be uncompetitive, and we'd lose jobs at home."

Mr Major said he would make every effort to stop countries that were not economically fit from joining up to the single currency. "If they were likely to go ahead in the wrong circumstances, it is in the British national interest to stop them doing so," he said. "Everyone who goes into the single currency would need the approval of their European partners in order to do so."

"I would be prepared to vote against countries going in that were not in the right economic circumstances."

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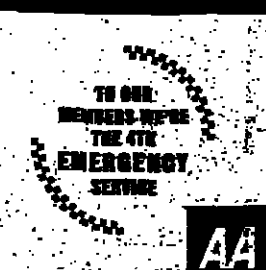
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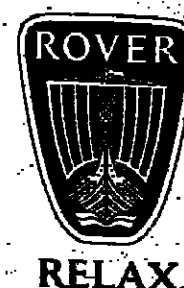
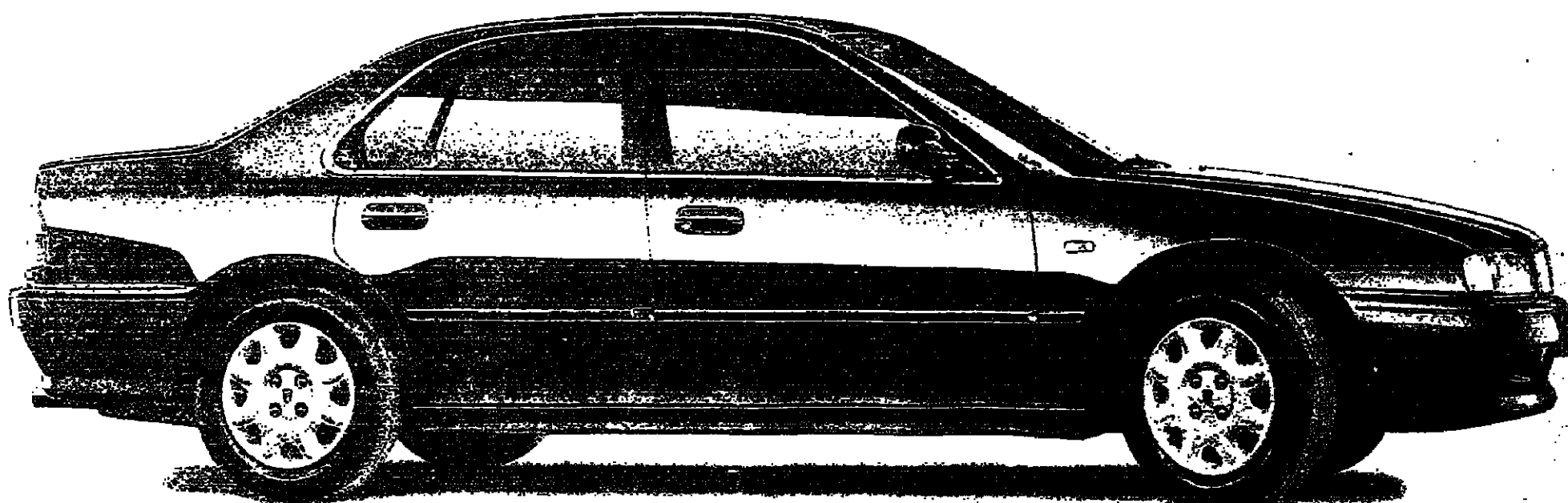
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Vendor rises from the depths to sell Russia's 'Big Issue'

Phil Reeves
St Petersburg

There are three characteristics to which Alexander Riga owes his living and his life. He has enough charm to recruit a few loyal clients; he has a thick skin, leathery enough to withstand official abuse; and he has cunning, enough to know when to vanish at the sound of a policeman's boot.

Yet even these assets are no guarantee of success as he travels on the St Petersburg metro, trying to sell Russia's answer to the *Big Issue* - a street newspaper which is being developed with the help of British government aid.

In an average week, he expects to be arrested at least once, usually merely for trying to make a living on the underground rather than on the streets. The cops say hawking on the trains is illegal; he says standing outside in a city with one of the most inhospitable climates in the world is lethal.

"The police just spit on us," he says, as we stride along a carriage looking for clients. "I don't know how many times I have been arrested. Often they confiscate my newspapers, and tear up my documents."

Mr Riga, 44, is one of 56 registered homeless people in St Petersburg who sell a newspaper called *Na Dnye*, or *The Depths*, so named after a play about poverty by Maxim Gorky. And like many of the city's estimated 56,000 homeless, he has first-hand experience of "na dnye". He's been there.

A well-read man who used to work in a bookshop, he lost all his savings when the ruble crashed, just as he had sold his stake in a communal apartment but before he could buy a new place. Homelessness was coupled with divorce and alcoholism. For six months he slept in basements and stairways.

The newspaper, run by Night Shelter, a St Petersburg charity for the homeless, operates on the same principles as the *Big Issue*, the successful street paper which was started in Britain in 1991.

Each day Mr Riga invests in 20 copies for a nominal fee of about 2p each. He then tries to sell them for five times as much, pocketing the difference, usually about two or three dollars.

But the St Petersburg market place is far harsher than anything you find in London or Glasgow. Russia's economic collapse has meant that the competition on the bottom rungs of society is fierce, and merciless. Every rouble he earns is despite an army of beggars, and long lines of people selling individual groceries on the street for a few pennies above the shop price.

In the two hours we spent together, he sold three copies, producing 20p in profit. "I usually do a bit better than this," he said. "People are suspicious because I am with a foreigner. I'd normally expect to sell 15-20 a day. Luckily I have a few regulars."

However, he can - and this lies at the heart of the *Big Issue* concept - lay claim to the dignity of a job. His income of about \$80 (£50) a month allows him to survive, albeit only just, and to rent a room. "I have three meals a day," says Mr Riga, who is now teetotal. "Sausage, tea, bread and potatoes. Sausage, tea, bread and potatoes."

The connection between the *Big Issue* and *The Depths* goes well beyond shared principles. A formal link was forged last year by Mel Young, co-director of the *Big Issue* in Scotland, who met the organisers of the Russian project at a conference and applied to the Foreign Office's Know How Fund for money to help them. The resulting £100,000 allows *Big Issue* to share its technical expertise - for instance, marketing, advertising, and production skills - with a view to helping *The Depths* make the transition from a charity into a self-sufficient enterprise.

The Russians certainly need all the help they can get. Their eight-page paper is cluttered out once every three weeks on an old computer by a handful of people working in a tiny room. Its solemn diet of social issues has produced a circulation of only 10,000.

By contrast, the *Big Issue* is the *Washington Post* of street publishing. In five years it has grown to a 48-page weekly which employs over 200 staff, circulates in dozens of cities and has a nationwide circulation of 300,000.

The Depths' very existence is significant, given that Russia treats its homeless so badly. In Soviet times, they



Hard life: Alexander Riga trying to sell *The Depths* on the St Petersburg metro. Photograph: Phil Reeves

were "non-people". Society considered them criminals.

That view still prevails. The fact that the homeless include many thousands of victims of economic collapse has done little to improve their image.

"People won't give them money because they are attuned to thinking of them as criminals, who are on the streets because of their own fault," said Mr Young, who regularly visits St Petersburg. "But that is clearly not the case these days."

Officialdom is as unsympathetic as society. The Moscow city authorities still demand residence permits, which

are difficult to acquire. Anyone stopped by the police without papers is liable to be run out of town. Disease is a constant threat. So is the cold. Last winter, 25 homeless people froze to death in St Petersburg alone.

But in St Petersburg at least official hostility is beginning to crumble. According to Valery Sokolov, director of Night Shelter, the city has a new police chief, who has pledged to end harassment of the "bomzhis" (acronym for the homeless) and also to recognise the residence rights of those who register as homeless. Moreover, for the first time anywhere in Russia, money for the

homeless has been included in the city's budget.

It is too early to say if this will flower into real and lasting help, but it is a start. So, too, is *The Depths*.

What Alexander Riga lacks is any faith in a better future. He calls himself a "pessimistic realist". He believes that because of Russia's dismal economic conditions, and social prejudice, the newspaper will only ever provide him with the means to survive. Life offers nothing more than a monotonous landscape across which he will tramp towards the grave, surviving on his charm and cunning.

Striking miners lay siege to Bonn

Inna Karacs
Bonn

Striking miners took their protest against the threat of pit closures to Bonn yesterday, blocking roads and laying siege to the headquarters of the governing parties.

On the third day of demonstrations against proposed cuts in the coal subsidy, hundreds of miners on motorcycles barricaded the main road leading to Bonn's government quarter.

Tens of thousands took to the streets in the Ruhr and in Saarland, occupying town halls, marching down motorways, and pelting politicians with eggs. In Saarbrücken, a demonstration by 20,000 people cut the autobahn between Germany and Luxembourg.

In front of the Bonn offices of the Free Democratic Party, the free-marketisers in Helmut Kohl's coalition government, hundreds of demonstrators shackled themselves together. "We are in chains today - who will be wearing them tomorrow?" asked a banner.

Last week the government announced plans gradually to reduce the annual coal subsidy, currently DM10bn (£3.7bn) to DM5.4bn by the year 2005. A larger portion of public support is to come in future from the two coal-mining Länder, Saarland and North Rhine-Westphalia. The unions fear 10 pits will have to close as a result, putting 50,000 miners and 70,000 others out of their jobs.

"I have a daughter and a son," said Josef Skorupa, 43, a miner who had travelled from Gladbeck in the Ruhr to Bonn to vent his fury. "What future will they have if the coal industry disappears?"

The last colliery in his home town has already been shut, and

the second biggest job provider, Siemens, has recently moved away. "Mining is a lousy job," Mr Skorupa says, "but there is nothing else."

The miners are bitter, but their protests have been peaceful. "We are not going to make the mistake of turning violent, like the French and British miners," says Mr Skorupa. "We are throwing eggs, not stones."

Another round of talks between Chancellor Kohl and the trade unions is expected today. The gap between the government's proposal and what the miners expect is only DM2bn over the next three years, but the two sides seem in no mood to compromise.

The stakes were raised at the weekend by the opposition Social Democrats. They demonstrated solidarity with the miners by walking out of planned discussions about tax reform. The SPD accepts coal subsidies need to be reduced, but finds the cuts excessive.

Oskar Lafontaine, the SPD leader and prime minister of Saarland, was particularly incensed by the government's manoeuvre to shift some of the remaining costs to coal-mining Länder, both of which are run by Social Democrats.

Mr Lafontaine was in the middle of negotiations with Mr Kohl about tax reforms and public sector cuts as the latest crisis broke. His party has a blocking vote in the upper chamber of parliament. If he cannot be persuaded to return to the table, the government's reforms could be paralysed.

In Berlin, about 5,000 building workers staged sit-ins in Potsdamer Platz, Europe's biggest building site, to highlight the fact that 300,000 of its members face the dole by the end of the century.

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FBI hunts third man over Oklahoma City bombing

The FBI is hunting a third man seen with the two defendants in the Oklahoma City bombing case. Named as Robert Jacques, he may have joined Timothy McVeigh and Terry Nichols in the Ozark mountains of Missouri, CNN and *Time* said. An estate agent said he came to his office with the two men in 1994, six months before the blast that killed 168 people. They were interested in land advertised as "in the middle of nowhere", but never returned. Mr McVeigh's trial on murder and conspiracy charges goes to court in Denver on 31 March, with Mr Nichols's trial to follow. **Tim Cornwell - Los Angeles**

Patten gives Peking a lesson

Peking was wrong to suggest Hong Kong schoolbooks may be revised after it returns to China, Governor Chris Patten said. "The Joint Declaration and the Basic Law guarantee... autonomy in educational matters," China's Foreign Minister, Qian Qichen, had said schoolbooks that did not conform with China's principles should be revised after the handover. **Reuters - Hong Kong**

Nepal Communists stake claim

Nepal's main Communist party said it would approach King Birendra to stake a claim to rule the kingdom and end a political crisis. On Sunday the centrist Nepali Congress party, which headed a coalition that narrowly lost a confidence vote last week, said it would attempt to form a new government. **Reuters - Kathmandu**

Top Polish soldier braced off

President Alexander Kwasniewski dismissed Tadeusz Wilecki, the armed-forces chief, who had been quarrelling with the ruling ex-Communist party months before talks on Nato entry are due to start. **Reuters - Warsaw**

The spy who didn't love them

A people's committee halted filming of a James Bond film in Ho Chi Minh City (Saigon) because past Bond films depicted Communism negatively. **AP - Hanoi**

First Muslims on trial for Bosnia war crimes

Tony Barber
Europe Editor

A military officer, a deputy prison camp commander and a camp guard yesterday became the first Bosnian Muslims to stand trial for alleged war crimes committed in the war in Bosnia, between 1992 and 1995.

Along with a Croat, the three Muslims were accused of murder, torture and rape of Bosnian Serb inmates at the Celebici camp in central Bosnia in 1992.

The case offers the United Nations war crimes tribunal in The Hague a chance to demonstrate its impartiality, in the face of charges from Serbia and the Bosnian Serbs that it has an anti-Serbian bias. Most of the 74 men so far indicted by the tribunal are Serbs, including Radovan Karadzic and Ratko Mladic, the wartime Bosnian Serb leaders.

The Celebici case breaks new ground for the UN tribunal, since it marks the first time that any government in former Yugoslavia has voluntarily handed over war-crimes suspects to face trial. Hazim Delic and Esad Landzo were arrested last May in Bosnia, from where the Muslim-led authorities transferred them to The Hague.

Prosecutors allege at least 14 Serbs died terrible deaths at Celebici and that many more suffered torture. Delic, 32, the camp's Muslim deputy com-



Accused: Landzo, Delic and Delic, with a guard second left, at the start of their trial in The Hague

mander, and Landzo, a 23-year-old Muslim guard, are accused of beating men to death with steel cables, shovels, baseball bats and wooden planks and of torturing them with acid, electric shocks and pliers.

According to the indictment, Serb women were raped at Celebici, and prisoners were forced to imitate animals and perform oral sex on each other. One man is said to have died after a Muslim political party badge was nailed into his head.

Zejnil Delalic, 48, the Muslim military officer in charge of the region, and Zdravko Mucic, 41, the Croatian chief of the camp, are accused of overall responsibility for the atrocities.

They are the highest-ranking defendants so far to stand trial for alleged war crimes in former Yugoslavia. Like their two fellow-defendants, they maintain their innocence.

The International Red Cross first reported the Celebici camp as a place of harassment and torture in August 1992, the same month that world opinion was shocked by the television news pictures of emaciated Muslim prisoners at Bosnian Serb camps.

The Bosnian Serbs' behaviour received much closer scrutiny in 1992 than did that of their Muslim and Croat enemies, possibly because the tide of war was running strongly in the Serbs' favour at that time.

Hijacker demands asylum in China

Jeffrey Parker
Reuters

Taipei - A jobless journalist doused himself with petrol in a Taiwan airliner and hijacked it to China, where he complained of political repression by Taiwan and requested asylum.

The latest of 13 Taiwan Strait hijackings in the Nineties was the first in which an aircraft was forced to fly to the Communist Chinese mainland, not from it.

The Far East Air Transport Boeing 757 was bound for Taipei with 150 passengers and eight crew when it was diverted. Liu Shan-chung, 45, was arrested after landing at China's south-eastern port of Xiamen. Air piracy is a capital offence on the Chinese mainland.

Taiwan swiftly demanded Liu's extradition. "The mainland authorities should return the hijacker immediately," Justice Minister Liao Cheng-hua said.

In the only other similar incident, a Taiwan captain was hailed as a hero in 1986 after piloting a Taiwan cargo aircraft to Guangzhou and defecting. If China treated the latest hijacker as a legitimate refugee it could risk being seen as endorsing political violence just days after bombings blamed on Muslim separatists in Xinjiang region and a bus bombing in Peking.

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Albania: Teenagers relish the power of weapons as insurgents consolidate their gains and reject overtures by Tirana

Young guns fan the flames of revolt

Andrew Gumbel
Saranda

Bejram thinks this is the greatest day of his life. He's got a delivery truck, tanked up and roaring. A Rambo poster is pinned behind the driver's seat and several shots of raki are pumping through his veins. Hugging his left leg, barrel poking out of the window, is a Kalashnikov, loaded and ready for some robust exercise.

In the passenger seat, a friend with a bandana is firing into the middle distance. Both have a glazed, crazy look in their eyes. An old Audi careens around the corner and screeches to a halt. "Hey Bejram, look!" shouts the driver, Fred. He pulls out his own Kalashnikov, fires perilously low, and lets out a demonic laugh.

For the teenagers of southern Albania, the rebellion is like a testosterone dream come true. For the past five years they have been weaned on Chuck Norris, Steven Seagal and Jean Claude Van Damme, whose films are shown on Italian television stations and watched avidly in Albania. Now have the chance to behave like macho super-heroes themselves.

The difference is that this is real violence. By far the most casualties have been due to incompetent or reckless handling of weaponry. In Gjirokastra and Saranda, teenagers have been killed and children as young as four caught in the crossfire. A man in Gjirokastra, Matush Gjini, whose 14-year-old daughter was shot in the leg, said: "We've got to lay down these weapons. We are just shooting each other."

Laying down arms will be the challenge facing the whole region if President Sali Berisha

makes good his pledge to form an all-party transitional government and hold elections by June. He has urged the insurgents to give up their arms by the end of the week and although leaders of the rebellion might be willing to consider the option, the teenagers are in no mood to leave a party while they are still having fun.

At checkpoints on the way into Saranda, the rebel stronghold on the coast opposite Corfu, young men are having a ball with their attempts to look cool in army fatigues looted from barracks, pink headbands taken from a women's beachwear shop, and baseball caps. The stimulant of choice is not raki, but finest southern Albanian grass, which lends a mellow air to the spectacle.

A few miles away, near Delvina, the site of incursions by government commandos and bombing raids last week, the atmosphere is tenser and the kids, many drunk, shove guns into the faces of travellers.

Saranda itself is calmer, well organised by the local revolutionary council, led by a retired colonel, Xhevat Kociu, who banned guns from the town centre and established a chain of command. But he admits there are limits to his authority. "Not only can I not force them to give up the weapons, but morally I don't have the right to, since I wasn't the one who gave them the guns in the first place."

It is seems inconceivable that the state will regain full control of its army equipment. At the weekend in Gjirokastra, townsfolk were looting everything from the army base. Masters of smuggling, they are more likely to sell the weapons abroad than give them back, whatever government is in power.



Rebels stand guard as the coffin of Tomor Mularaj, killed in fighting on Sunday, is taken for burial in Permet yesterday

Photograph: Reuters

Funeral rally turns fury on Berisha

Costas Paris
Reuter

Permet — Albanian rebels who seized the southern town of Permet began to bury their dead in a funeral that swelled into a protest rally, with crowds demanding President Sali Berisha's resignation. About 3,000 people shouting "Down with Berisha, down with the murderer" marched to the cemetery, where youths fired in the air with Kalashnikov rifles before a school teacher and a young father were buried.

The crowd paused to shout anti-government slogans in front of the prefecture hall, where a pool of blood lay on the floor. Locals said this was where the 24-year-old father of a young child was shot. The rebels took control of Permet on Sunday and vowed not to surrender their weapons until Mr Berisha

resigned. Five people were killed and six injured in the fighting, hours before Mr Berisha struck a deal with opposition parties to hold early elections.

The parents of Eduart Theodori, head of Mr Berisha's Democratic Party in Permet, were killed by soldiers. Their coffins stood inside his house, where 15 women sat weeping. "When we saw things flaring up I asked my father and mother to take my two children to a nearby village," Mr Theodori said. "When they passed by a police station the soldiers opened fire. They shot at people like they were sheep. We had given the soldiers an ultimatum to leave and as they left they sprayed bullets everywhere."

Leftist Kiriako, a doctor at Permet hospital, said all the injured had been wounded by bullets and one was in critical condition.

A witness, Hecuran Bejollari, said: "A group of soldiers left yesterday and as they were leaving they started shooting at people in the main square. There were many dead and injured. People took guns from the police station and two barracks and we shot back."

Speakers in the main square urged the town's 12,000 people to remain calm and not fire their guns aimlessly in the air.

"We will try to find a way to calm people. A rebel council that has been elected will distribute food, gas and other necessities," said the mayor, Spartak Kondi. "We will return our weapons when Berisha resigns." Most public buildings in the town had been sprayed with bullets and the police station was burning. The town's two army barracks had been looted but it was unclear how many weapons were taken.

The rebels have turned down Mr

Berisha's offer of amnesty if they give back thousands of weapons, including tanks and heavy artillery, seized from state arsenals.

Journalists driving from the rebel-held town of Gjirokastra found no roadblocks on the way to Permet on the main highway south-east from rebel-held Tepelene. The rebels said they also controlled about 36 villages.

Rebel leaders, including many former army officers, were in contact with each other in the main towns of Gjirokastra, Vlora, Sarande and Delvine to discuss Mr Berisha's deal with the opposition. They said they would also discuss it with opposition leaders in Tirana.

Mr Berisha, accused of standing by when pyramid investment schemes collapsed in January, wiping out the savings of thousands, agreed with all parties to hold elections by June.

Rebels dismiss talk of peace

Ron Popeski
Reuters

Tirana — Anti-government forces seized control of most of southern Albania yesterday, leaving the army in disarray and dismissing a deal forged by President Sali Berisha and the opposition for a political end to the conflict.

The latest areas to fall were the ancient town of Berat, abandoned without a fight by the army, and the nearby town of Kucove, where residents pillaged an air force base. One person died after being hit by a stray bullet from celebratory fire.

Rebels had to fight to capture Permet, a remote mountain locality where political activity has been virtually unknown in the six years since the fall of communism. Five people were killed and six were injured.

Rebels patrolling streets and keeping arms away from children said they supported the idea of an all-party government under Berisha's weekend deal, but refused to down their weapons until Berisha resigned.

They accused him of allowing pyramid schemes to flourish before collapsing with the savings of hundreds of thousands. "We don't trust him any more," said Sokol, one of the Berat rebels. "He deserves to be hanged by his tongue."

In Rome, the Foreign Ministry said Italy's ambassador to Tirana was holding talks with rebel leaders from southern Albania on an Italian naval vessel in the Adriatic to foster a dialogue between them and the authorities.

Mr Berisha met leaders of his own Democratic Party and the opposition in Tirana to form an interim government due to oversee early general elections by June under the accord.

More than 40 people have died in the violence in the past week. Before the weekend deal, parliament had imposed a state of emergency and then re-elected Berisha to a second five-year term, enraging the opposition and dismaying foreign countries.



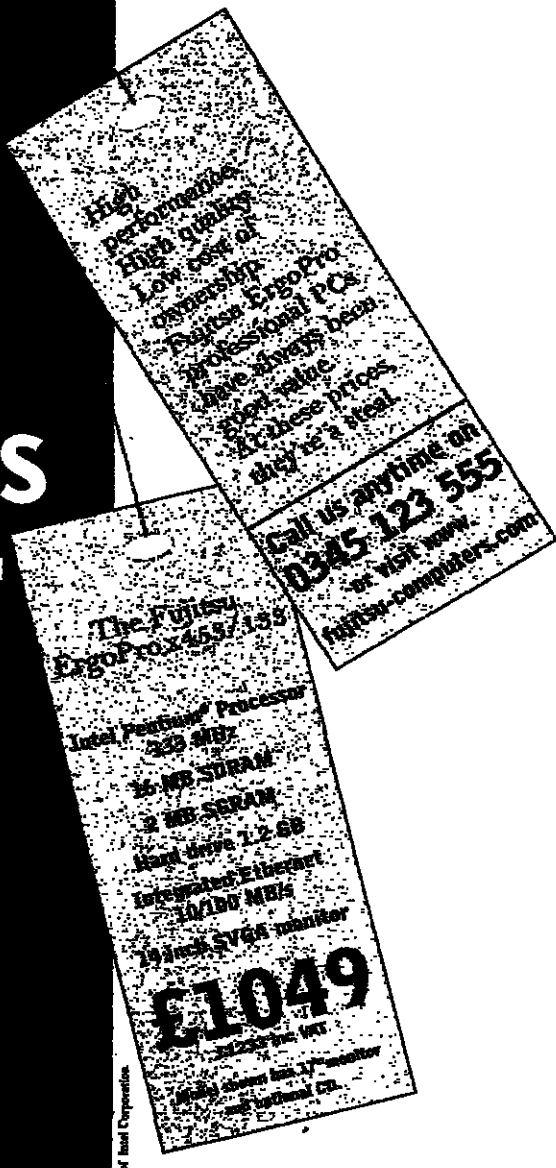
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Dame Veronica Wedgwood

Veronica Wedgwood was the daughter of Sir Ralph Wedgwood Bt, for 16 years chief general manager of the London and North Eastern Railway (LNER) and briefly, before rail nationalisation, a wartime chairman of the Railway Executive, and a great-great-granddaughter of Josiah Wedgwood, the famous 18th-century potter of "Etruria" in Staffordshire, whence the family originated. His descendant inherited her full share of the family ability, its public spirit and philanthropic bent. She added to it a literary and scholarly gift to become the most distinguished woman historian of her time.

She belonged by birth to the most eminent intellectual lineage of the past century – out of which shone Leslie Stephen, Virginia Woolf, Vaughan Williams and H.A.L. Fisher. Veronica was born in 1910 and well educated privately, at home under the supervision of her father – to whom his cousin Vaughan Williams dedicated his *London Symphony* – and her



Wedgwood: Independent-minded
Photograph: Jerry Bauer

mother, who was also a writer, and at Norland Place School, in London. Proceeding to Oxford, where from Lady Margaret Hall she was her first outstanding pupil, she gained a First in the school of Modern History. She was indeed precocious, publishing her first historical biography, *Stratford*, in 1935, revised and rewritten (as *Thomas*

Wentworth) in 1961. More remarkable was her big book *The Thirty Years War* (1938), covering a large canvas. The historian Sir George Clark was accustomed to say that no first-class work of historical research was ever written by anyone under 30. C.V. Wedgwood (her *nom de plume*) was an exception.

A notable biography of the great leader of Dutch independence and the founder of the modern state of Holland, *William the Silent* (1944), followed, a book which displayed not only a mastery of research but maturity of judgement, with a literary capacity not common in academic writing. She wrote indeed to be read, and not surprisingly the book began for her a long procession of prizes and honours, appropriately that of the Order of Orange-Nassau from the Netherlands.

Meanwhile she had written a short biography of Oliver Cromwell in 1939 (revised in 1973). Ten years later came another biography, *Richelieu and the French Monarchy*

(1949), written for my series "Men and Their Times". One could rely on her to turn out a good job without *parti pris*. This was noticeably true of two major books on the Civil War period: *The King's Peace* (1955) and *The King's War* (1958). She had intended a trilogy, but never completed it, probably discouraged, if not intimidated, by the evened-out controversy with which academics surrounded the subject. Always avoiding controversy herself, she was probably put off by the sheer scholasticism into which the treatment of the subject had degenerated, the rudeness with which academics treated each other over it, when she herself was always courteous and lady-like.

What was remarkable about Wedgwood's view of the Civil War was the way in which she depicted the sheer confusion of it all, the impossibility of co-ordinating events in three countries, once order from the centre had broken down. This may be regarded as a bonus for imposing no sharp-angled inter-

pretation of her own that might invite more controversy. But it was a pity that what would have been her *magnus opus* remained incomplete.

A by-product of this concern was *Monarchy* (1952), a short biography of the gallant general, a sympathetic character to her, as also was Prince Rupert from early days. Various volumes followed, essays collected in *Views and Opinions* (1960). More significant were her Cambridge lectures on literature and politics in the 17th century (published as *Poetry and Politics*, 1960). For these brought out the fact that in her mind history and literature are closely associated, as with all the best and great historians. Independent-minded, as her circumstances enabled her to be independent, she belonged to no "school", though this inclination affiliated her to the work of G.M. Trevelyan, head of the profession in her time.

She moved out from her chosen period to write the life of her uncle, Colonel Josiah Wedgwood MP, another inde-

pendent, initiator of the scheme of the History of Parliament. She was also the author of two translations – *Charles V* (by Carl Brandt, 1939) and *Auto da Fé* (by Elias Canetti, 1946). Her last undertaking was as bold and brave as it was unexpected, a two-volume introduction to world history, of which she completed the first volume, *The Spoils of Time* (1984), up to 1550. Ill-health prevented her from going on with it.

All Wedgwood's writing was accompanied by a prodigious amount of public work, indeed we may say "good works", in keeping with the tradition of her family, for in person she was benevolent and a generous giver. She took her stint of academic lecturing in her stride, for many years a "Special Lecturer" at University College London, 1962-91, though giving time and service readily elsewhere. In return she was awarded many honorary degrees, and was elected an honorary Fellow of her Oxford college.

For years she worked hard for the Pen Club in London, be-

coming its president and attending its conferences at home and abroad. She worked similarly for the Society of Authors, the London Library, and the Arts Council. Her membership of public bodies too numerous to specify included serving on the Advisory Council of the Victoria & Albert Museum and twice as trustee of the National Gallery.

She enjoyed, in addition, an American career. For 15 years, from 1953 to 1968, she was a member of the Institute of Advanced Studies at Princeton, which had been founded on the model of All Souls College, Oxford. This gave her a shelter from the burden of so much public work at home, in which she could concentrate on research and writing. She was rewarded with numerous American honours, membership of the Academies of Arts and Letters, and Arts and Sciences, and the Philosophical and Historical Societies.

At a time when women were coming to the fore in so many walks of life Veronica Wedg-

wood may be regarded as something of a front-runner. As such she was phenomenally rewarded: Commander of the British Empire, then Dame, the Goethe Prize, eventually (though early – she was still in her fifties) the Order of Merit. She herself said it was "excessive". But her awards were well earned, for public work as much as for her writing, which was as prolific as it was of high quality.

A. L. Rowse

Cicely Veronica Wedgwood, historian: born Stockfield, Northumberland 20 July 1910; FRSL 1947; President, English Centre, International Pen Club 1951-57; member, Royal Commission on Historical Manuscripts 1953-78; President, English Association 1955-56; CBE 1956, DBE 1968; member, Arts Council 1958-61; member, Advisory Council, Victoria & Albert Museum 1962-68; 1969-76; OM 1969; President, Society of Authors 1972-77; FBA 1975; died London 9 March 1997.

Jimmy Airlie

Jimmy Airlie was the former Clydeside shipyard fitter who became one of the leaders of the historic Upper Clyde Shipbuilders work-in quarter of a century ago. He was a character and Communist of the old school, and an outstanding socialist orator, with a big, boisterous, gutsy style.

In 1983 he was the first Communist to be elected to the national executive of the then Amalgamated Engineering Union (AEU) in a decade, taking the Scottish seat formerly held by the right-winger Gavin Laird. This victory for the Left horrified the union's president, Terry Duffy, a man who had spent his life "fighting the Reds". Later, right-wingers on his union executive were to combine to prevent Airlie's becoming president after the departure of Bill Jordan. But friends and foes alike – and he had his share of both – all respected Jimmy Airlie.

Delegates at union conferences, many suffering hangovers after a late debating session with Airlie, were frequently reminded of his strong constitution, particularly when the dedicated non-smoker and hill-walker ran past their bedroom windows during his regular three-mile morning jog.

He was renowned for his tough talking, formidable negotiating skills and shrewd use of the media. His speech style was once described as joined-up shouting but he could grasp the attention of even the largest audiences, whether they were on a windy dockside or in a conference hall. He enjoyed public speaking and said that a point made "wittily and succinctly" was more likely to be understood by an audience than a convoluted, long-winded sentence. "We all have to die sometime, but in the meantime we don't have to be bored to death."

Airlie, a shop steward with the giant AEU (now the Amalgamated Engineering and Electrical Union), rose to union fame and public prominence with his former Communist friend Jimmy Reid during the UCS work-in of 1971. The Heath government had decided to allow the UCS consortium of shipyards to go into liquidation, threatening 3,000 jobs and more in support industries.

The work-in mobilised workers not only in west Scotland but in the entire country and £200,000-worth of donations flooded in from abroad. It saved the jobs of hundreds, albeit it temporarily, until a rescue mission could be mounted and the yard saved. He said that "heroic effort" had challenged the

very ethos of the Edward Heath government, which decreed that "lame duck" industries like UCS should not be bailed out with taxpayers' money.

But victory left a bitter taste in his mouth when hundreds of surviving workers at Govan Shipbuilders, who believed their jobs were assured, rejected his appeal to pay a levy of 50p a week to help give 300 redundant men an income of £10 a week. He said: "What they have done is turn round and say, as we put it in Glasgow, 'I'm on the bus, ring the bell.' He promptly resigned from his post as shop steward and chairman of the shop stewards' co-ordinating committee which had organised the work-in and many stewards quit with him.

His strong streak of pragmatism, which he learnt in the Communist Party, refused to let him take workers out on strike if he thought they could not win. "Workers don't pay me or any other trade union official to conduct a revolution. They pay me to get the best deal possible, and you only get that by ducking and diving and compromising."

He called it "the biggest setback ever for the working-class movement in Scotland". Later, after he had become the high-profile Scottish executive officer of his union, Ford of America tried to blame him for the collapse of plans to build a £40m electronics plant in Dundee in 1983. The plant would have employed 1,500 people. But Ford chiefs were unhappy with his public statements during the two-week Ford pay strike earlier that year.

Airlie had flown to Detroit to sign the controversial single-union agreement which Ford had demanded for the Dundee factory but Ford believed that British unions opposed to the deal – particularly the TGWU, which had threatened to "black" the plant – could not "guarantee the conditions" to make the plant competitive.

Company sources said the involvement of the moderate engineering union had confirmed their "worst fears". They remained convinced that British unions hostile to the deal would not let it succeed. A furious Airlie said the trade-union movement had succeeded in doing something he thought was virtually impossible – destroying the Dundee plant at birth.

He said: "The movement has decreed that the plant cannot be opened in Dundee, an area of sickeningly high unemployment, because I had negotiated with Ford a single union deal which would have

led to only the AEU being recognised by management."

A left-winger himself, Airlie yet detested union "traditionalists and fundamentalists", whose style of unionism he claimed helped employers "play one off against the other". He said such people were living in the "morass of the past" and failed to face up to the political landscape. "If that sounds sub-Thatcherite so be it," he declared. "As a Communist I am well aware that long-term progress sometimes demands short-term sacrifice."

Airlie was the perfect example of how left-wing militants can mellow when they reach high office and even embrace moderation. During the bitter and violent dispute which led to the closure of the Timex plant in Dundee, he admitted that "things could have been different if the workforce at the doomed plant had been given more moderate advice from shop stewards. In retrospect it could have been different if the union had pulled back."

In summer 1993 national leaders including Airlie believed that militant figures elected to union posts at Timex had missed a good chance of a breakthrough in the lengthy dispute, over 343 sackings, a wage freeze and a 10 per cent cut in fringe benefits. Although he had conducted eight secret negotiations with the "unrealistic" employers he believed local union officials could have avoided the closure of the plant. He accepted the company was losing money and needed to get back into the black, but "there was no way we could get the workforce to accept cuts in wages. I accept that my deal was draconian but it was the best the workers were ever going to get."

Bill Jordan, former AEU President, said he and other right-wing colleagues on the union's executive felt particularly sorry for Airlie because he was elected to national office when the unions were rapidly losing their power and influence after years of Thatcherism and anti-union laws. Jordan said: "He was never at ease in the 'new look' TUC but you could not help but like Jimmy. I always admired him, because he was like a dog with a bone. He just would not give up in an argument or an official dispute."

"He really struggled with his beliefs about not selling out to the employer yet he was brave enough to face the anger of militants who were not prepared to compromise on anything. He remained adamant that 'downsizing' and 'rationalisation' were not the best way forward for



"Principle is not a luxury. It is a necessity": Airlie arrives ready to negotiate at Ford's headquarters in Moscow Place, London, in 1990

British industry. It really demoralised him when workers lost their jobs through no fault of their own. The fact that he and the union had failed to save those jobs hurt him deeply. He had so much to offer as a negotiator but his skills could not hold back the steady decline of industry in his beloved Scotland."

Airlie took it as a compliment when "pilloried by the capitalist press" but took criticism badly when it came from within the ranks of the trade unions. Leif Mills, a former TUC President and right-wing leader of the Banking, Insurance and Finance Union, was a senior officer to "Lance-Corporal Airlie" during their spell of National Service. Mills said: "Whenever he saw me at Congress or in hotels he used to leap to his feet, click his heels together and salute me. His left-wing pals were always open-mouthed with surprise, but we never let them in on the joke."

Airlie was so popular with the press that journalists flocked to his side for quotes during difficult negotiations, particularly those at the Ford Motor Company where he led the engineering union side in the late

1980s and early 1990s. Jealous and irritated leaders of the giant Transport and General Workers Union, which traditionally led the Ford pay talks, became annoyed at Airlie's media magnetism and took the unusual and unforgivable step of trying to gag him. They democratically voted to shut him up. Needless to say, he ignored them.

During his years on the national executive council Airlie was responsible for a number of industries, including atomic energy, aluminium, flour milling and oil refining. His union posts included national committee delegate, district committee delegate, full-time shop stewards' convenor, assistant divisional organiser and executive council member. He served on the TUC general council for several years but was not very happy in "this talking shop". He took early retirement when it became clear that the top job of president was going to elude him. "Yes, I would like to have been president of the union. It didn't happen and I don't regret it. Retirement is a new challenge. Whatever I do, I try not to be bored."

Jimmy Airlie was born in Renfrew, near Glasgow, in 1936, the son of a boilermaker. He served his apprenticeship as a fitter with Simon and Lobnitz, a shipyard on Clydeside, and was elected as assistant divisional organiser of his union in 1979. Although he left the Communist Party – disillusioned – in 1991 and joined Labour, his best epithet is probably a description he once gave of himself. "I am a Communist. I have been a Communist all my life. My entire career has been devoted to advancing the cause of the working class. There is no substitute for principle. Principle is not a luxury. It is a necessity."

His close associates will always point to his essential decency and humanity, although woe betide anyone who fell victim to the rough end of Jimmy Airlie's tongue, writes Barrie Clement. There was a high degree of intelligence behind the rhetoric. He was also capable of delivering measured advice to senior colleagues. Towards the end of the coal strike of 1984-85, Airlie rang Arthur Scargill, President of the National Union of Mineworkers, and urged him to

call off the industrial action. Scargill was told to retreat in good order and that there was no mileage in glorious defeat. In a sense, Airlie adopted the tactics of New Labour long before its proponents achieved prominence in the party. He believed in building broad alliances to achieve what he regarded as "progressive" policies.

He was never an orthodox Communist. Indeed, on occasion his party registered exasperation over his actions. In his early twenties, after National Service, however, the Communist Party in central Scotland held strong attractions for him. Many serious left-wingers would not countenance an association with the Labour Party, which was regarded by many as corrupt.

It is a desperate cliché, but underneath his tough exterior, many will testify to the fact that Jimmy Airlie was "an old softy". It was part of his character that even his political enemies grudgingly acknowledge.

Jimmy Airlie, trade unionist: born Renfrew 10 November 1936; married 1971; Anne Gordon (one daughter); died Erskine 10 March 1997.

Alfred Sheinwold

Alfred Sheinwold was a highly respected and versatile bridge player and writer.

He was perhaps less well known in Britain than on the North American scene, although he was born in London. Nearly all of his education was in the United States, however, and he graduated well in Economics from City College of New York in 1933 in spite of missing many classes in order to play bridge.

In 1934, scoring a more commercial career, he joined the staff of the *Bridge World* – the celebrated American publication founded by Ely Culbertson – and until 1963 worked successively as technical, managing, and senior editor. Culbertson – an unpredictable entrepreneur – fired Sheinwold a few times but he was always re-instated.

Sheinwold also fitted in the editorship of the *American Contract Bridge League Bulletin* from 1952 to 1958, and was editor-in-chief of the still popular *Autobridge* from 1936. In addition, he undertook the games editorship of the US magazine *Argosy*, wrote the heavily syndicated bridge and backgammon columns for the *Los Angeles Times*, and promoted bridge lessons on Pay TV in 1963. Furthermore, at various times, he filled a number of responsible positions on the bridge administration scene.

Sheinwold also wrote some 13 books on the game, including the best-selling *Five Weeks to Winning Bridge* (1959) which has sold two million copies, and was the co-inventor of the Kaplan-Sheinwold bidding system which, contained, for its time, a number of unusual features. Oddly enough, his colleague (Edgar Kaplan) is the present editor of the *Bridge World*.

Was there ever any opportunity to actually play bridge? Sheinwold won numerous national tournaments and was a popular non-playing captain of the North American team in the Bermuda Bowl (the World Championships), leading his team to victory in 1985.

There was an interesting gap in Sheinwold's bridge career during the years of the Second World War when he headed the code and cipher department of the Office of Strategic Services – the forerunner of the CIA.

Alan Hiron

Alfred Sheinwold, bridge player and writer: born c1912; married; died Los Angeles 8 March 1997.

Births, Marriages & Deaths

BIRTHS

BRADBURY: Donalds (née Fournier) and Nicholas are delighted to announce the birth of their son, Fergus Kenneth Blackburn, on 20 February 1997, at the Queen Mother's Hospital, Glasgow.

DEATHS

TURCK: Louise (Lieschen) Friederike Clemence, née Brodzitz, after a brief illness, died peacefully, at March, aged 87, having lived courageously and compassionately. Widow of Dr Heinrich Turck, much-loved mother of Dore, Walter and Ruth, warmly remembered by grandchildren, family and friends. Thanksgiving funeral, Monday 17 March, at 2.30pm, St Paul's Church, Nork, Banstead, Surrey. Family flowers and enquiries to W.A. Turck, 121 High St, Banstead, telephone 01753 712190. Donations preferred: Age Concern or the Children's Society, c/o the above.

WARNER: Juliet, 58, on 5 March 1997. Funeral at St Nicholas Church, Kemerton, on Wednesday 12 March, at 2pm.

For Gazette BIRTHS, MARRIAGES & DEATHS, telephone 0171-293 2012.

Birthdays

Mr Douglas Adams, writer, 45; Miss Agatha Barbara, former president of Malta, 74; Sir John Batten, former physician to the Queen, 73; Dr Alan Betts, Emeritus Professor, Royal Veterinary College, 70; Miss Louise Brown, former tennis champion, 74; Mr Michael Cartwright MP, 49; Sir Kenneth Dover, Chancellor, St Andrews University, 77; Mr Dennis Enright, writer, poet and critic, 77; Mr David Gentleman, designer and painter, 67; Mr Jonathan Gesteira, chairman, Marlborough Rare Books, 57; Professor Thomas Gray, anaesthetist, 84; Viscount Hood, former chairman of Petrofina UK, 83; Sir Raymond Jackson, (Jack), cartoonist, 70; Lord Lawson of Blaby, former Chancellor of the Exchequer, 65; Sir Henry Marking, former deputy chairman and managing director, British Airways, 77; Mr Timothy Mason, Director, Museum and Galleries Commission, 52; Mr Alan Montgomery, High Commissioner to Tanzania, 59; Lord Mowbray, Seagrave and Stourton, former deputy chief opposition whip in the House of Lords, 74; Mr Rupert Murdoch, newspaper proprietor, 66; Miss Erica O'Donnell, founder, Centre for the History of the Fine and Decorative Arts, 77; Sir Makolli Pill, a Lord Justice of Appeal, 59; Sir Keith Speed MP, 63; Sir Iain Tennant, former Lord-

Lieutenant of Morayshire, 78; Miss Patricia Tindale, architect, 71; Mr Ron Todd, former general secretary, TGWU, 70; The Right Rev. John Went, Bishop of Tewkesbury, 53; Lord Wilberforce, former Lord of Appeal in Ordinary, 90; Mr Tony Wright MP, 49; Mr Alan Yentob, controller, BBC 1, 50.

Anniversaries

BIRTHS: Sir Henry Tate, sugar refiner and art collector, 1819; Lord Wilson of Rievaulx (John Harold Wilson), politician, 1916; Deaths: Sir Alexander Fleming, bacteriologist, 1955. On this day: Chelsea Hospital for old soldiers was founded, 1682; the first telephone call was made by Alexander Graham Bell, 1876. Today is the Feast Day of St Anne, St Benedict of Nilan, St Constantine of Cornwall, St Eulogius of Cordova, St Oengus or Aengus the Culdee, St Sophronius of Jerusalem, St Teresa Margaret Redi and St Vincidence.

ROYAL ENGAGEMENTS

The Queen will be in New York to attend the 50th Anniversary of the United Nations, and will also be attending the 50th Anniversary of the Royal Air Force and the 50th Anniversary of the Royal Canadian Mounted Police. The Queen will be in New York to attend the 50th Anniversary of the United Nations, and will also be attending the 50th Anniversary of the Royal Air Force and the 50th Anniversary of the Royal Canadian Mounted Police.

Changing of the Guard
The Household Cavalry, Mounted Band will play the Queen's Life Guard at Horse Guards, 11.15.

Judge was right not to put provocation case to jury

LAW REPORT

11 March 1997

There could only be an issue of provocation to be left to the jury, pursuant to section 3 of the Homicide Act 1957, where the judge considered that there was some evidence, whatever its source, and whether or not it had been relied on by the defence, of a specific act or words of provocation resulting in a loss of self-control. A speculative possibility that there had been an act of provocation was not enough.

The House of Lords dismissed an appeal by Brian Gordon Aqot against the decision of the Court of Appeal, Criminal Division ([1996] 4 All ER 443) dismissing his appeal against conviction at the Central Criminal Court on 19 June 1995 for the murder of his mother.

Section 3 of the 1957 Act provided: Where on a charge of murder there is evidence on which the jury can find that the person charged was provoked (whether by things done or by things said or by both together) to lose his self-control, the question whether the provocation was enough to make a reasonable man do as he did shall be left to be determined by the jury; and in determining that question the jury shall take into account every circumstance known to them, and the jury shall find that a reasonable man would have been provoked if the jury find that the defendant was provoked.

At his trial, the defendant's case was that he had not attacked his mother as alleged, and that her injuries had been caused by her falling and his unskilled efforts to resuscitate her. The jury rejected that explanation and convicted him. On appeal, defence counsel argued that the Crown had made provocation an issue by

repeatedly putting to the defendant in cross-examination that he had lost his self-control and attacked his mother and that he had been angered by his mother treating him like a little boy and berating him. The deceased's injuries were testimony to a frenzied attack which was *prima facie* indicative of a loss of self-control. Accordingly, it was said, the judge should have left the issue of provocation to the jury.

Michael Gale QC and Louis French (Sharp's Plechard) for the defendant; Heather Hallatt QC and Simon Russell Pinn (Crown Prosecution Service) for the Crown.

Lord Steyn said that in the absence of any evidence, emerging from whatever source, suggestive of the reasonable possibility that the defendant

might have lost his self-control due to the provoking conduct of the deceased, the question of provocation did not arise.

It remained the duty of the judge to decide whether there was evidence of provoking conduct which resulted in the defendant losing his self-control. If in the judge's opinion, even on a view most favourable to the defendant, there was insufficient material for a jury to find that it was a reasonable possibility that there was specific provoking conduct resulting in a loss of self-control, there was simply no issue of provocation to be considered by the jury: see *Lee Chun-Chuen v The Queen* ([1963] AC 220 at 229).

The defendant throughout denied the suggestions put to him in cross-examination and insisted that his relationship

with his mother was good and that she had done nothing to anger him. The cross-examination produced no evidence of provoking conduct or of a loss of self-control.

Suggestions in cross-examination could not by themselves raise an issue of provocation where the evidence, on the most favourable view for the defendant, revealed no issue.

It was not enough to infer from the deceased's injuries that there was a reasonable possibility that the defendant had lost his self-control and attacked his mother in anger. The question was whether there was any evidence of specific provoking conduct. Mere speculation was not enough.

There had to be evidence tending to show the killing might have been an uncontrolled reaction to provoking conduct rather than an act of revenge.

Paul Magraith, Barrister

Let's protect the old, not their offspring

What is all this sudden concern for the lives of our senior citizens? Last week it was Peter Lilley on pensions, this week Stephen Dorrell on long-term care. It all sounds so prudent, so sensible, so far-sighted. A government which may have only a month or two left in power is taking the trouble to propose policies that take decades to bite.

Should we be grateful? Up to a point. Last week's pension proposals were promising enough. This week's long-term care proposals, however, are outrageous. Far from being a wise way to get individuals to take responsibility for their own old age and save the taxpayer some cash, Mr Dorrell's plot is a straightforward subsidy of inheritance. Taxpayers will lose to the tune of £200m, so that a few middle-aged sons and daughters can inherit a house. That is not the best way to allocate scarce funds.

Mr Dorrell's proposals are not aimed at senior citizens at all. Why should they be? The old men suffering from Alzheimer's, and the frail old women who need full-time residential care, are not the people who lose out from the present arrangements. Either the state forks out the cash to pay their bills, or, if they have assets worth more than £16,000, those assets (the houses they have

already had to leave) are sold to foot the bills instead.

No: the people affected are their middle-aged sons and daughters, who had been counting on a nest egg. John Major's vision of wealth cascading down the generations has suddenly, for them, dried up; instead, elderly mothers and fathers have had to spend it looking after themselves. Nothing to help with Isadora's school fees, or to fund young Henry on a trip round the world. Most pertinently of all, no cash to help middle-aged earners to buy a bigger house.

Is there a problem at all? Well, yes. The present generation of pensioners had assumed that, as they have paid their stamps all their lives, with the cradle-to-grave mantra singing in their ears, the state would foot the bills in their old age. In the past the NHS did exactly that, by providing for them on geriatric wards. But the old wards have closed, partly because they were so expensive to maintain, and partly because the old and ailing are not best cared for in hospitals. At the same time, demand for long-term care is growing, as the population slowly ages and our lives lengthen. Someone has to pay for all that unanticipated care.

At the moment the state still plugs much of the gap. Many of those in long-term care get some form of state

assistance. For the rest, money that would have gone into inheritance is used up instead, as those who have assets (usually houses) sell them off. In future, as home ownership among the over-sixties continues to rise, house sales should bear even more of the burden.

So what is Mr Dorrell's alternative? He says that people who take out insurance policies on reaching retirement will get additional protection from the state, above and beyond the insurance cover, to protect their assets. In other words, the state is stepping in to help wealthy families

ensure that their assets can cascade down the generations after all. But hang on a minute. Surely people ought to use their assets to look after themselves? It is one of those unfortunate possibilities for which we should take responsibility, and accept with a good grace if it happens to us. Houses are, after all, the way that most of us save and invest our money, capitalising our rent over the years and making a tidy profit on the investment. If we need the money to look after us as we age, then so be it.

People who are desperately keen to pass on nest eggs to their children

must just accept that they either take the risk of long-term care eating up the egg, or they must take out additional expensive insurance, or put by extra savings to make sure they are covered. Long-term care insurance is already available. Admittedly the premiums are pricey, but then so is the cost of long-term care. Guaranteeing an inheritance for the children is expensive, but that is the way to do it. It is not the business of other taxpayers.

It is true that this makes inheriting money and houses a rather random affair. Should a rich parent be knocked over by a bus, the house is passed on intact. Should she instead succumb to years of debilitating illness, the entire pile could be gobbled up. But that should hardly make us feel sorry for the offspring. After all, the fact that they were born to well-off parents in the first place was just a roll of the dice. The £200m a year that Mr Dorrell is proposing to spend would not buy better care for anyone; it would not help pensioners in poverty, nor would it do anything for the old people who could never afford to buy their own homes in the first place.

The Government is right to be considering these slow-burning questions of how to support each generation through the extra decades

between retirement and the grave. But the state should concentrate on helping people to take responsibility for themselves, regulating private provision and stepping in to support those in need, rather than wasting money protecting the privileges of those who have plenty.

The cardinal misses the point

So far Cardinal Thomas Winning has won a promise of £50,000 from an anonymous donor for his anti-abortion project. Nothing wrong with the idea in principle: if some women can be saved the sadness of abortion, then so much the better. Unfortunately, faith might need to dig a bit deeper. Bringing children up in a materialist society is costly. Remember, a child is not just for conception, but for life. At say, an average £10,000 a child a year, the anti-abortion project could cost £3.2bn a year – if they want to prevent all abortions. But most women who have abortions don't want to deliver the baby and then hand it over to someone else, either physically, or charitably. They want to bring up the baby in their own way, or not at all.

LETTERS TO THE EDITOR

Dawkins lets down the case for science

Sir: One cannot but admire the clarity of Richard Dawkins's writings. His prose style is attractive and the quality of argumentation more often than not

suasive. However, beneath the apparent reasonableness of his approach lie deeper, unanswered questions concerning the relationship of scientific inquiry to other human activities and aspirations.

His article "Dolly and the cloth heads" (8 March), while superficially amusing (I smiled), achieves its objectives only by either seriously misrepresenting the nature of religious convictions (the use of the term "rival" in the piece is instructive) or by choosing the softest of possible targets (overstretched religious leaders fired, often against their better judgement, into stuffy studios by over-worked TV and radio producers).

Rather than bringing a highly personal agenda always to the fore, might it not be better if Professor Dawkins actually kept to his appointed brief – assisting the public in its understanding of science?

One way of achieving this might be for him to examine in depth why so many universities are finding it increasingly difficult to recruit students of sufficiently high calibre into their science departments. Another useful exercise might be to investigate why so many scientists are blissfully unaware of the profound philosophical significance of scientific procedures and enterprises.

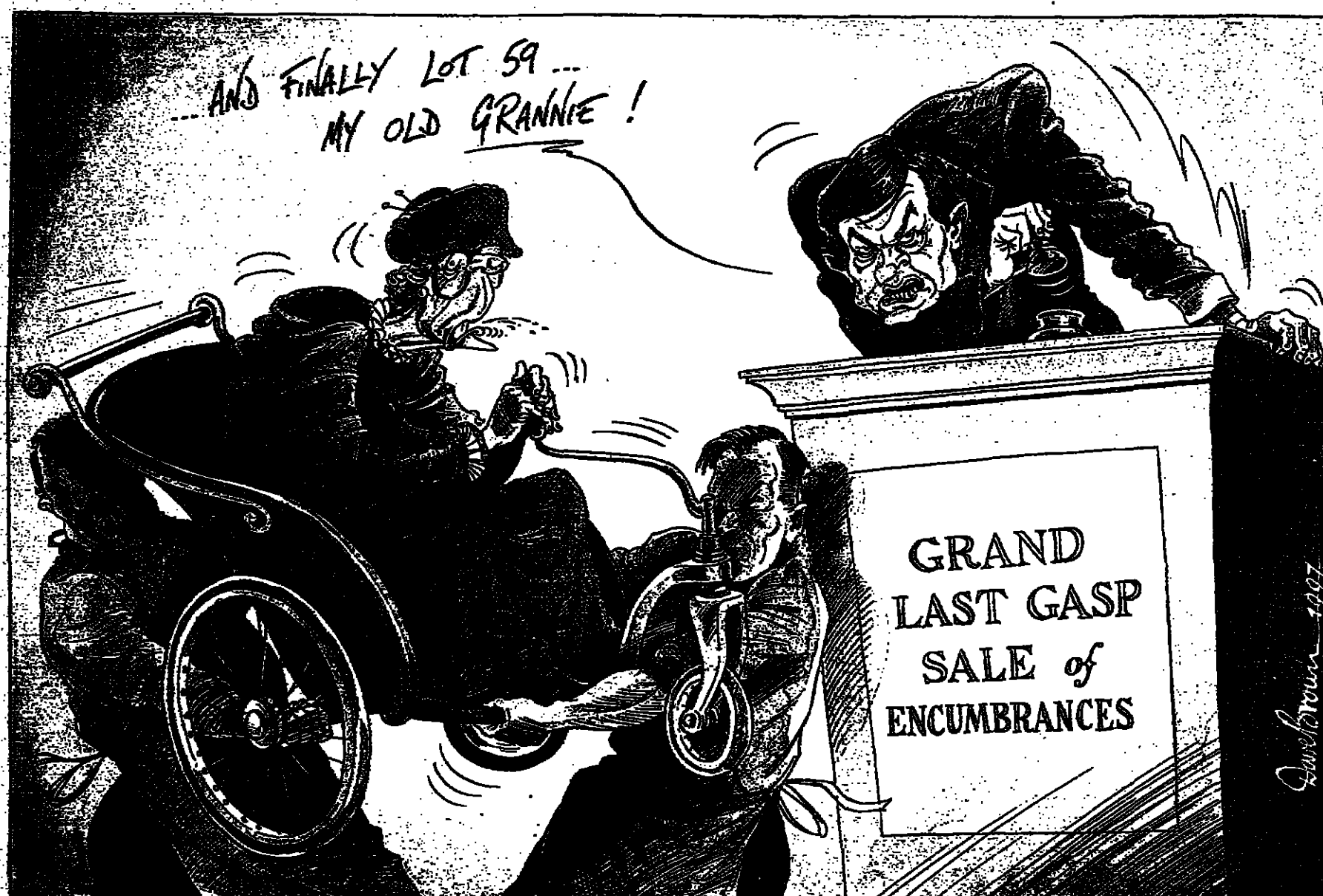
Clearly we have the right to laugh at cloth-head clerics or other "cerebrally challenged" politicians or community leaders. One wonders, nevertheless, how many principal scientific officers of research institutes could gracefully step into a TV or radio studio at short notice and give an articulate account of, say, the ontological implications of Popper's "objective knowledge" or take part in lively pre-millennial debate on the ongoing significance of C P Snow's "two cultures" view of society. The Rev IAN M KENWAY
Director of Studies
Centre for the Study of Theology
University of Essex

Sir: Professor Dawkins believes passionately that rational argument must be allowed to win, hence science must dominate. He forgets that on most scientific topics the vast majority of people, for lack of knowledge, cannot be rational and that all people, including himself, are in part emotional.

The brain does not act rationally using a DNA or any other code, but is a complex organ which generates emotions, some very primitive. Behind many religious attitudes lie such emotions, not to be denied, which science does well to leave alone.

As a fellow scientist, not a believer in Dawkins's sense, I want my colleagues to present clearly scientific positions for, say, cloning. I fear that Professor Dawkins's passion makes him use rational argument emotionally, and he then loses sight of legitimate emotional issues. This leaves the public with the impression that scientists do not understand people and hence are often unfitted for life.

Professor R J P WILLIAMS
Inorganic Chemistry Laboratory
University of Oxford



Sir: The burden of Professor Dawkins's article appears to be that people who speak as representatives of religious traditions are too stupid to be entitled to participate in the debate about cloning. This article crystallised everything that I fear about new genetic technologies.

The problem does not lie with the scientists' dexterity in the laboratory, but with his extraordinary intellectual arrogance. Professor Dawkins's habitual posture of sneering contempt towards those who have not reached his own degree of enlightenment demonstrates the gulf between the technical skill of the scientists he represents, and his own lack of humility and moral sense.

DR PETER DRAPER
School of Health
University of Hull

Sir: Richard Dawkins's intellectual elitism does a serious disservice to debate about the implications of cloning animals. It is arrogant to suggest that there is no place for other than "experts in the field" to engage in public debate.

"Experts" have their place, but recent history in advising the Government and the public engenders a healthy scepticism about their wisdom, if not knowledge.

RS ANDERSON
Neston, Cheshire

Sir: As an ordained scientist I was struck by the irony implicit in Richard Dawkins's article "Dolly and the cloth heads".

Though there is a shortage of religious people who could be relied upon to produce intelligent, informed and constructive

contributions to any debate, the media deliberately seek out individuals who can be guaranteed to voice an exaggerated, sensationalist viewpoint – polemic disguised as rational argument – which would be disowned by many of the community which they claim to represent.

The media play the same trick with scientists: I wonder whether it has ever occurred to Professor Dawkins that this might be why he is so often called upon by them to speak and write on behalf of the "scientific community". Canon JOHN INGE
Ely Cathedral
Cambridgeshire

Sir: Richard Dawkins refers to the respect "always bestowed on religious prejudice, but no other kind of prejudice". Surely one other type of conviction enjoys similar respect, namely the choice of marriage partner.

It is not normally acceptable to say: "Why did you marry that dreadful man/woman?" Both religious faith and choice of partner are strongly felt personal convictions, not susceptible to rational analysis, but giving great satisfaction and comfort to some people.

However, if the major religions are going to return to a more militant stance, seeking to influence policies which impact on the agnostic majority, they can no longer expect to enjoy this tolerant respect.

MALCOLM LAURENCE
Richmond, Surrey

Albanian divide not so simple

Sir: Andrew Gumbel is doing the long-suffering population of northern Albania a disservice ("Tribal tension splits Albania in two", 6 March) in labelling their supporters of President Berisha and tarring them with the same brush as a handful of loyalists from the president's birthplace.

As a social anthropologist who has been working in northern Albania since 1982, I am worried by this misleading article from your hitherto admirably reliable correspondent. In the present context, a north-south divide is an erroneous reading of political reality.

Resentment against Sali Berisha is as pronounced in the north as in the south. Northerners, most of whom are even poorer than southerners, have suffered no less from the collapse of the pyramid schemes (whose immense popularity was partly due to Albania's hopelessly inadequate financial infrastructure). Unemployment is massive in the north due to the closing down of most of the mining industry. Villagers have far less, and much more infertile land than southerners.

Resentment against government indifference to unemployment, against its corrupt and autocratic behaviour, has been evident since the 1995 referendum resulted in the rejection of the proposed constitution. The Independent

newspaper *Kaka Jone*, so critical of the government that its offices have now been burnt down, was largely run by journalists from Lezhe in the traditionally Catholic north. There are no straightforward divides in Albania.

It is true that Tiranians of all political colours (and plenty of Democrat supporters are of southern origin) are worried by the influx of mountain villagers from the north. The myth has been circulated that these mountain villagers are favoured protégés of the president, who comes from the northern province of Tropoja, though the majority of the migrants come from the provinces of Kukës and Puka.

The majority of Albanians are desperate to get rid of what they see as an EU yes-man in charge of the country. Dr CLARISSA DE WAAL
Department of Social Anthropology
University of Cambridge

Sir: Paul Keetch (letter, 6 March) may have been "privileged" to be an OSCE observer of the Albanian parliamentary elections on 26 May 1996, but he was not just "one of two UK monitors". Four others including myself observed the poll under the mandate of the Organisation for Security and Co-operation in Europe.

Like other observers (for example, from the OSCE Parliamentary Assembly), my colleagues found the poll basically fair – much fairer than polls validated by the OSCE's Office for Democratic Institutions elsewhere. Your paper has gone out on a

limb to promote the restoration of an ex-Communist-led opposition. Let's hope that if the masked marauders of Vlorë and Sarandë win, they'll respect human rights and elections. But if they don't, let's hope your attention and indignation won't have wandered elsewhere meanwhile. MARK ALMOND
Oriel College, Oxford

Virtual cat is already here

Sir: When a friend relocated from Paris to London, he had to leave at a new home in France his much-loved cat. The acquisition of an English cat being impractical, he was delighted to discover an interactive computer program for a pet cat.

Programmed with all the personality traits of his fluffy French counterpart, "computer cat" is the ideal feline companion: he sleeps, purrs, plays and eats his virtual catfood – but he leaves no virtual messes. So take heart, R Sheppard (letter, 10 March), the virtual cat is here – and he doesn't need a litter tray. LAURA CURTIS
London SW16

Forgery too far

Sir: With reference to your item on anti-forgery mechanisms for nursery vouchers ("Nursery vouchers guidelines rub teachers up the wrong way", 10 March), I am at a loss to imagine why anyone would want to forge one. Surely one would need a forged child to go with it. CHRISTOPHER SHORE
Cambridge

Glamour of the wartime weed

Sir: Lynne Reid Banks (letter, 8 March) is right to say that smokers always knew the risks. We strongly suspected that smoking was not good for our health – we Second World War servicemen called cigarettes "cancer tubes". But we went on smoking.

It helped one stay awake on night duty, and it was so much the done thing that to refuse a proffered fag was tantamount to refusing to shake a proffered hand. To smoke was doggedly seen (anyway by the youngest of us) as a riskier rather than risky, and being a non-smoker was priggish.

Every public space reeked of smoke. Characters in films, books and advertisements (not only those plugging tobacco products) had their interest and glamour enhanced by the way they handled the weed. Jewelled lighters and cases were a first choice as birthday and Christmas presents.

To fasten all blame on the tobacco companies is to evade responsibilities more widely shared. ANNE GLYN-JONES
Tepsham, Devon

Nation needs new telecoms museum

Sir: We have recently read of the forthcoming closure of the BT telecommunications museum in London (report, 1 March; letter, 5 March) and of the uncertain future for the would-be museum of computing, cryptography, radar and electronics at Bletchley Park.

On 10 February, you reported the impending break-up at auction of the priceless Marconi archives and early wireless equipment, though the collection has been given a temporary stay of execution.

We have national museums devoted to railways, aircraft and ships; is it not time to establish a National Museum of Communications, Electronics and Computing on one site?

There was no exhibition on Marconi's work in the centenary year of his discoveries, and why is it that EMI has chosen to stage its centenary exhibition on sound recording privately, and not under the auspices of a national museum? There is a fine telecommunications museum in Stockholm – and if Sweden can do this, so could we. T C H GOING
Southend, Essex

Ulster meltdown

Sir: Having seen the photograph of Thornton's chocolate representations of party leaders in *The Independent* on 7 March, I visited my local branch to buy some. A member of staff informed me that there had been no demand for them, and they had been returned to England.

David Trimble should take note. Despite the many concessions given to the Ulster Unionists, the British withdrawal from Northern Ireland has commenced. DERMOT REID
Belfast

Tory teaser

Sir: Perhaps Sir George Gardiner might like to explain why, if the Conservatives are as awful as he now says ("Tories will go 'down the pan'", 10 March), he tried so hard for so long to avoid deselection. DM ASHFORD
Almondsbury, Bristol

analysis

Hidden virtues of loser-friendly Liverpool

Their dockers may have been on strike for the past 19 months, their city may be the poorest in the Kingdom but, says Paul Valley, Liverpoolians won't surrender their community and cultural identity

In front of the Royal Seaford Docks an elegant woman in a Cossack hat, calf-length coat and long, cream scarf moves with utter composure along the road. She glides like a mysterious ghost among the slowly-moving juggernauts that are queuing to enter the Liverpool waterfront. Occasionally, as a lorry edges forward, she lifts her hand in an enigmatic movement and the driver comes once again to an uncertain halt. This is not most people's idea of a picket line.

The woman is Cathy Dwyer. She is dressed for work: after the mass picket she will be off to her job in market research. Her husband, Andy, has worked on the Liverpool docks for 33 years – or he had, until September 1995 when he was sacked for not crossing a picket line thrown up by fellow dockers whose firm had sacked them for refusing to work overtime. Since then Andy Dwyer has been locked out by the Mersey Docks and Harbour Company in a 19-month dispute that has now lasted longer even than the miners' strike of 1984-85. Yet newspapers do not write about it much. There is, you see, no modern media template for a dispute like this.

In many ways it seems like a throwback to something from the late Seventies. A macho management set out to smash long-set union restrictive practices. Men atavistically donned tools and are locked out. With suspicious speed their jobs are advertised and filled. Roadside altercations take place between pickets, blacklegs and police. Damage is done to directors' homes. Dockers travel the world to set up successful picket lines in New Jersey, Montreal and Australia. But it is not news. What place can all that have in the post-Thatcherite world of economic globalisation? It is merely the death throes of a dinosaur dispute in a dinosaur industry.

And, after all, it is Liverpool, the city that revelled in the worst labour record in the country throughout the Seventies and refused to bury the dead during its cemetery workers' strike, which crowned the "winter of discontent" that brought down the last Labour government. The city which produced Derek Hatton's defiantly spendthrift Militant council in the Eighties.

But Cathy Dwyer seems to belong to another world. She is one of the Women of the Waterfront, dockers' wives who have come together to find a

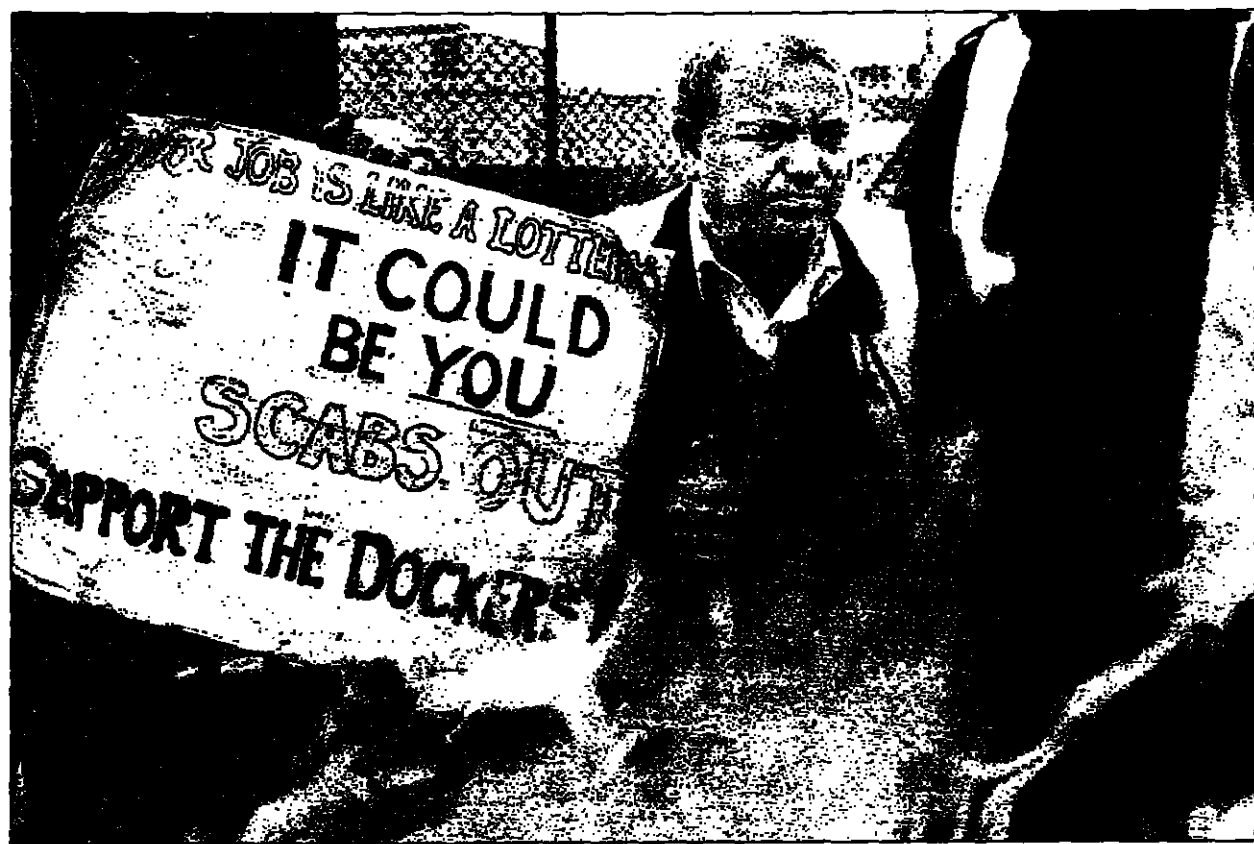
new solidarity in adversity. Yet it seems to be of the present rather than the past.

It is not just her sartorial style. Nor that, with laws on picketing now much tightened, she and her fellows have developed a chaotic, individualised, unco-ordinated form of mass jay-walking to achieve the same end. There is something more to Cathy Dwyer. She speaks of a mutuality that is alien to recent social discourse. "I don't think we're the last gasp of a dying era," she says. "I think that we're the beginning of a new one. We are showing a greedy nation that there are other values." She speaks of responsibilities as well as rights, of duties rather than demands, in what, in other circumstances, might be the speech of a New Labour politician.

Not that Tony Blair has been anywhere nearer than Albert Dock, a few miles down river, where the port's great trading days have been turned into a historical theme park. In its centre floats the weather map used in Granada TV's chat show, on which Blair met Richard and Judy. Picket lines are an embarrassment to New Labour, as they are to the dockers' union, the Transport and General, which has distanced itself from the dispute and branded it "unofficial".

Small wonder, then, with men like Kevin Robinson around. The shop steward was told that he suffered from "a pathological dislike for management per se" and was derecognised three times by the docks' management, only to be re-elected each time by the men. And yet Robinson seems to have something to complain about when he, and the women, talk about the changes in working conditions the management had begun to impose over the two years before the dispute began. "Our husbands were on 12-hour shifts, and would then find themselves called back for another 12 just five hours after getting home," says Cathy Dwyer. "My husband was disciplined for not being by the phone on his day off," says another woman. "Messages would be left with the kids telling their dads to get back to work," adds a third.

The company denies this, saying such incidents were the exception rather than the rule. But whatever the *realpolitik* of the dispute, the sense of community among the dockers' families is remarkable. The spirit of loyalty goes vertically, too, through the generations. At St Anthony's Catholic



The face of defiance: some Liverpool dockers would rather be unemployed than exploited

Photograph: Craig Easton

Church, just up the hill from the docks, Fr Tom Williams is not an impartial observer. His father was a checker and a bargee on the docks. His brother Richard is one of the sacked dockers. "He never had a disciplinary offence against him in 28 years and now he is out on his car," the priest says, with barely suppressed indignation. "It is a total injustice." Yet it is not one of merely recent manufacture. Its roots lie in the history of the area, which was once the most densely populated in Europe.

It was in the 1840s that Liverpool's population doubled as poor Irish immigrants fled the Great Potato Famine. Many were virtually destitute. Those with money and push went on to London, Birmingham or

even the US. It is a drift with an echo in a more modern movement: the population of the city has virtually halved over the past 20 years. "Those with get up and go, got up and went," as a character says in *Scouse*, a play by a local writer, Andrew Cullen, currently showing at the city's Everyman Theatre (it is a grim fantasy in which Liverpool declares independence from the rest of the UK). Liverpool has always constituted what its Anglican bishop, David Sheppard, has called "the community of the left behind".

Yet it was a city with a great appetite for hewers of wood, drawers of water and shovellers-out of cargo-holds along its 12 miles of dockside. But where neighbouring Manchester developed industry, Liverpool largely stuck to trade and the primary processing it produced. No significant artisan class developed in this navy culture. Its attitude to work remained essentially rural, conservative and dynastic: jobs passed from father to son.

But its most significant legacy to modern-day Liverpool lay in the system of casual labour on which the docks ran. Men crowded each day like animals into pens to be inspected and chosen for work. Those whose faces fitted were touched upon the shoulder by a bowler-

hatted foreman and awarded a day's work. In some cases tallies were thrown into the crowd, and the men would scramble and fight for the privilege of labouring. Men would rise at 3am to walk seven miles hoping for work that did not materialise, and then walk seven miles home again.

It is the memory of those days that has burned itself into the collective consciousness and created the culture of suspicion that has bedevilled the city's industrial relations ever since. When, in 1967, after a six-week dock strike, the government brought in the National Dock Labour Scheme with proper sick pay, holidays and pension provisions, the dockers thought the bad old days were behind them for ever.

But the world changed. The Thatcher boom did not reach Liverpool in the same way as elsewhere. In the mobile phone, buy-your-own-home, yuppie dream, Liverpool was left behind. It never got the Feelgood Factor. Instead Militant incurred big debts by refusing to cut public spending – debts Liverpoolians are still paying, with the highest council tax in the country. But when the Thatcherite recession came, the city was not excluded. "Barely a month

went by," says Ged Fitzgerald, the head of the city's economic development unit, "without news of some major factory closing. Liverpool became the poorest city in England with an unemployment rate double the national average. As the climate worsened, so the docks management became more draconian in its demands." "The working man in Liverpool has always worked in a culture of fear," says Canon Nicholas Frayling, the Rector of Liverpool, who tried to mediate in the dispute in its early stages but was rebuffed by management. "Post Thatcher, that has become a culture of terror."

But the spirit of obstinacy persisted. That much is clear from the shop steward Kevin Robinson: "We are ambassadors for all working people," he says. "We know about casual labour, bad conditions, low pay – we've been there before – when you were hired on your religion, or which pub you drank in and whether you bought drinks for the foreman. It was a degrading system, and it's still fresh in people's minds. I can remember my father coming home from it. My mother, who is 74, recently told me: 'Whatever you do, lad, don't go back to those days.' Some would rather be unemployed than exploited. For them it is

better to die in the fight than admit defeat," says Frayling. "It's a Titanic struggle."

Titanic. Hyperbole has always been a distinctly Liverpool quality. So, too, is a tendency to nostalgia, to romanticise, to sentimentalise and to make myth. Yet such qualities are an important part of what builds the sense of community that developed in the strong parish life of the city and has somehow survived the destruction of the physical communities. It lingers still in intangibles such as the city's celebrated football. This deep sense of identity explains the profound communal sense of loss in the city when its fans perished at Hillsborough, and when the toddler James Bulger was murdered. "There's a quality of care and compassion born of generations of having it hard," says Canon Frayling. "It's a tender, compassionate streak. It's far more rewarding to be a priest here than down south."

The firms that understand all that prosper, insist local businessmen. "Liverpool workers are anarchic, but, properly understood and managed, are the most loyal and productive workforce in the world," said one senior manager with a major industrial company, who asked for his name not to be disclosed for fear of his comments being seen as an attack on the management of the Mersey Docks and Harbour Company – "which actually, if I am honest, it is," he added.

Not everyone would agree. Many Liverpoolians feel that the port authorities have made the dockers a good offer: jobs for 40 of the 530 sacked men and a £25,000 severance payment for the rest, with a three-month reinstatement for all, to save face. The shop stewards' stubborn refusal to put this final offer to a secret ballot – it was rejected by a show of hands – has also lost them some sympathy among some sectors of the city's population.

And yet that same stubbornness is what lies behind the great triumphs of the city, particularly among its most disadvantaged people. Tony McGann did not know how to take no for an answer in his long battle with the Militant council when it wanted to demolish housing in the inner-city Vauxhall area despite the opposition of the local people. In the teeth of opposition from the council, his community group, the Eldonians, got private land and government money to build more than 300 new houses, a garden centre, a nursery, a village hall and a sports centre.

The parishioners of St Peter's Anglican church in Everton would not take no for an answer when they sat in in council houses to prevent councilors from demolishing them, even though the squatters knew they would not be eligible for tenancies when they were saved. The women at the Women's Educational Trust in the city centre did not take no for an answer when it was suggested to them that with their background – cleaners and factory workers – they would be unable

to cope with the courses it runs in information technology and in electronic engineering. In the event they found themselves transformed, as was the Grade II listed building which its director, Claire Dove, raised the cash to restore to its former glory, to create an environment in which the women would grow in confidence. The thirst for education among working-class women is not a sign of a dinosaur city.

"The great strength of Liverpoolians is that they do not know when to give up," said one community development worker. "It is also their great weakness, too, if they do not have the judgement to know whether they should have started in the first place."

The dockers claim they had no choice. "With enhanced pension I could get £35,000 under the deal they have offered us," says the dockers' shop steward, Kevin Robinson. "But I don't want the money. And it's not my job to sell. My grandfather and father did it before me. I am just the custodian of the job. I have three lads; if they wish to go down the docks that should be their choice. I want to pass my job on to someone else at the same rates and conditions."

The irony is that one son is at university, another is at college and the third is destined for the same. They are unlikely to want to work the docks. Yet Kevin sees a broader issue. Liverpool's dock regeneration may have created 14,000 jobs – the same number as have been lost to cargo-handling since the war. The city may have attracted new jobs from Barclaycard, Abbey National and the QVC cable TV shopping firm; the region's "informal" economy may be thriving; but there is more to all this than jobs.

It is something terribly unfashionable. Something to do with community, with dignity – even with decency. Things that, to our cost, the rest of us have lost a grip on in our rush to self-interest. Claire Dwyer knows it too. "We're here as a reminder of the idea that there's more to life than money. Principles. Standing together. Solidarity." Ultimately it is these that give meaning to life, more than the materialism and individualism of our atomised society.

"We can't lose," says Kevin Robinson. "We're in a no-lose situation. If I never go back to work, I will still be able to hold my head up." To those outside Liverpool, that is noble and it is doomed. Those in the city see that what is at stake is not economic survival, but cultural identity. "I think the world may come again to want what it has lost and these men have, in some way, hung on to," ponders Fr Williams. Evidently there are some outsiders who agree: on Sunday Jo Brand, Steve Coogan and a bunch of other comedians are performing at a benefit concert for the sacked dockers at the London Palladium. "Perhaps," says the dockers' priest, "the world will come to regard Thatcherism as just a phase." Would that it were so.

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Offer also applies to spouses

I rescued Amazon women on the moon

“Well, what is this one called *Amazon Women on the Moon*?” said my wife. “Have you any reason for keeping this?”

We were having one of our regular tactical talks about keeping videos. My tactics are clear. Record anything that looks halfway interesting and watch it later, in old age if need be. This occasionally pays off. When *The Young Ones* with Rik Mayall and Ade Edmondson first appeared on TV, I taped them for my two teenage sons. Now, a dozen years later, those two are grown-up but my nine-year-old son (who was not even born then) has rediscovered the very same Young Ones tapes in the cellar and thinks they are wonderful.

My wife's tactics are equally clear. If you haven't watched it within two days, wipe it. Either way, can't we get rid of some of those videos cluttering up the place?

“Like which ones?”

“Well, what is this thing called *Amazon Women on the Moon*?” said my wife, picking up a video at random. “Have you any reason for keeping this?”

Miles Kingston

I couldn't even remember having taped it. I had a vague idea that it was one of those spoof science fiction movies which tend to have names like *The Invasion of the Giant Tomatoes* and which are never quite as funny as you hope, but I didn't know. All I knew was that I must have thought it looked worth recording at the time.

“It's meant to be a great underground cult classic,” I lied fluently. “But I haven't had a chance to watch it yet.”

“You never will.”

“I will one day.”

“Wipe it now!”

We came to a compromise. I would look it up in the TV film guide and if they gave it the thumbs down I would wipe it. So I looked it up in three different film guides, and they all said it was a hopeless mishmash of a film. It looked doomed.

You may wonder why I should have three different TV film guides on the premises. Well, I actually have four, but the fourth has gone missing. I think it is under that pile of videos over there.

There is a good reason for this. Over the years I have noticed that TV film guides often clash violently with each other. You quite often find a film being praised extravagantly in one guide, and torn to bits in another. It has always been my intention to collect some of these inconsistencies and disagreements and use them to build a light-hearted article from, though I have never got round to it.

The *Time Out Film Guide*, for instance, tends to give experimental or avant-garde films the benefit of the doubt while *Halliwel's Guide* (9th edition) is more robustly nononsense. The *Virgin Film Guide* is somewhere between the two but often gives fascinating background

information about the making of the film which the other two don't bother with. They all pay lip service to “great” but difficult films such as *Last Year at Marienbad*, but even *Time Out* confesses its bafflement: “Obscure, oneiric, it's either a masterpiece or complete twaddle...” I had to look oneiric up. Means dreamlike, apparently.

And there are some surprising omissions. *Time Out* is the only one to list *Sven Klings Combo* a lovely and funny 1976 Swedish film about jazz. Sticking to films beginning with “Sv-”, Halliwel has no Sven Klings but does list two versions of *Svengali*. *Virgin* lists no films beginning with “Sv-” at all. Hmmm...

But they all unite in dismissing *Amazon Women on the Moon*. *Virgin* did not even deign to mention it. Good sci-fi parody, says Halliwel, but most of the film is silly and weak.

“Formless compendium of sketches,” says *Time Out*, “patchy in the extreme.”

Despite everything, I thought I would sneak a look at it before wiping it. Much to my surprise, I thought it was hilarious. The low-budget sci-fi parody that

runs through it is quite funny, but some of the sketches are wonderful. For instance, there is a running gag about a black singer who can only tackle sentimental rubbish, and every time he appears, we cut to BB King himself, the great blues guitarist, who looks straight at us and says: “Did you know that one in five black people in America are born without ‘soul’? That's right – one in five! We must help these people, so please send your money to ‘Blacks Without Soul’, PO Box 1100, Atlanta, Georgia...”

Of course, it may be that I am wrong and all the film guides are right, but on the other hand I was brave enough to show the tape to my wife, and she roared with laughter at most of it, and so now *Amazon Women on the Moon* is safe for posterity.

Unlike all the other videos:

“What's this one?” she said this morning, waving a VHS cassette at me.

“*Alastair Sim Double Bill*. What's that?”

“Two Alastair Sim films,” I said. “Classics.”

“Which ones?”

“I can't remember.”

Here we go again.

A Blair landslide would sweep all politics before it

It is understandable that party leaders wince a bit when they hear enthusiastic colleagues mention the word "landslide". First, there is the famous danger of complacency: activists might just let up if they are too confident of victory. And secondly, there is the danger of frightening the voters — which Labour will be unable to avoid if it enters the campaign proper with anything like its current 18-point poll lead. If that was sustained, it would win a majority of 221, and with around 440 seats, well over double the Conservatives' total.

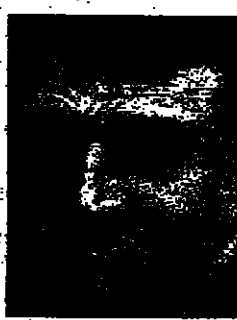
Some pollsters already speculate that such a lead would drive some former Tory voters, if not back to the Tories, at least to the Liberal Democrats. The assumption is that the electors will suddenly take fright at the prospect. Aren't those just the circumstances in which old Labour will rear its head again? And wouldn't a Blair government with such a majority become a sort of tribal, triumphalist, five-year-long version of Neil Kinnock's infamous Sheffield rally in 1992?

Probably not. Yes, governments that make a big difference almost invariably have equally big majorities. The Liberal government of 1906, Attlee's of 1945 and mid-administration Thatcher all had majorities well in excess of 100. You have only to consider the big privatisations. Almost all were deeply unpopular before they happened, which is partly why there was so little about them in the 1979 manifesto. Yet while Mrs Thatcher's all went through, John Major was unable to privatise the Post Office — despite backing from left to right in the Cabinet — because he could not be sure of a parliamentary majority. If, for example, Tony Blair and Gordon Brown were to introduce far-reaching welfare reforms then it would be as helpful to them to have a big majority as it was to Lloyd George in his transforming 1909 budget.

But that does not mean that with a landslide majority Labour simply returns to its bad old ways — or even that the chances of a new, more pluralist politics are out of the window. All the calculations are that the one member, one vote system of choosing candidates, Blair's own leadership and the growth of political education within the party will lead to one outcome: the bigger the Labour majority, the more Blairites there will be in parliament. Now let's take four potentially difficult issues likely to crop up in the first half of a new parliament.

Proportional representation: The conventional wisdom is that Labour would be more likely to back electoral reform if it has a narrow majority. Why change a system if it delivers spectacularly? But it may not be so simple. First, many MPs, finding themselves in hitherto natural Tory territory, may wonder how long they can remain MPs under the present system if the tide turns. What is more, if Labour secured a majority of more than 200 but with less than 50 per cent of the vote, the case for PR would be strengthened and made a much more respectable cause for Tories. Douglas Hurd, to name but one, has long been sympathetic. If others followed, it could be a huge help to the reformers in securing a vote for change in a referendum.

Northern Ireland: Blair is said to believe that John Major has squandered some of his well-deserved early success — though Labour has been careful not to play party politics with the



Donald Macintyre
Governments which make a difference almost invariably have equally big majorities: Liberals in 1906, Attlee in 1945 and of course Thatcher

issue. But reviving peace will be a priority. Blair would be at least as tough in demanding an unequivocal ceasefire before admitting Sinn Féin to all party talks. But a landslide would deprive Ulster Unionists of their leverage to demand advance decommissioning of terrorist weapons, even if they were overtly allied, as they may be, to a post-Major, pro-Union Tory party.

Europe: There may be a pro-European majority in the House of Commons even if Labour wins only by a handful of seats. Not only the Liberal Democrats but a significant pro-European minority of Tory MPs, led by Kenneth Clarke, might well ditch their whip and vote with Labour to join a delayed or second-wave EMU. But it could be a close call, if Labour is running a minority government. Then you can not be sure that Labour Euro-sceptics will not outnumber the Tory pro-Europeans. A large majority gives Blair more freedom to negotiate a deal at the Inter-governmental conference in Amsterdam and it will make it much easier to get any EMU legislation through the Commons.

Scottish devolution: A landslide would make it much easier to get legislation through the Commons. Anti-devolution Labour MPs, such as Tam Dalyell, would have much less leverage to cause trouble. And Labour would be in a strong position to face down demands for the committee stage of its devolution Bills to be taken on the floor of the House. But a landslide would also mean good parliamentary majorities for England and Wales alone. Paradoxically, that also provides a ready-made solution, if Blair wanted to take it, for the West Lothian question: exclude Scottish MPs from voting on business which applied only to England and Wales.

There are certainly disadvantages to a huge majority. Party discipline can be a casualty exactly because rebels can be heroes in safety: the government may win the votes, but at the expense of an awkward squad which tours the TV studios denouncing the leadership and damaging the party's popularity. The larger the majority the more competition there is for ministerial jobs. This can breed frustration among those who don't make it, so Blair would almost certainly have his new disciplinary procedure put to the test. On the other hand simply being on the winning side makes life more fulfilling for a backbencher: he has much better access to Cabinet ministers and can get things done for his constituency.

Margaret Thatcher: could not possibly have got the poll tax through in the 1987 parliament if she had not had a big majority. However she forgot about the voters. So she won the battle and lost the war, by being unseated in 1990.

But that also illustrates the most important point — that a healthy majority makes it easier for Blair to put his own, rather than merely his party's, stamp on the country. A 1945 or 1906-style landslide is, if not utterly impossible, highly unlikely. But given where Labour is now, even a majority of 50 would be worthy of the term. And it would probably suit Blair almost as well. Robin Cook ran into taff for using the L word last week. Francis Pym went down in history for suggesting that it would be a good thing if Mrs Thatcher did not win too large a majority in 1983. No prizes for guessing who did himself more damage.

Four historic weeks in British racial history

by Linda Bellos

Within the space of a month, four important things have happened which could change the face of the politics of race in Britain. I use the term "politics of race" rather than "race relations" because I am not certain exactly what race relations are, or what the notion of relationships between "the races" means. The term speaks to me of old ideas that black people and white people cannot live together without conflict, but since that notion does not accord with my own experience I am increasingly reluctant to use a term that is so redolent of racist ideology as to be a problem in its own right. (But there is a politics of race in which, for example, Tory governments can and probably will try to use the "race card": where the ghetto and the "inner city" are codes for black people; where mugging is solely a crime committed by black men — or, more to the point, when a Commissioner of the Police can refer to mugging as black crime.

February 1997 may go down in the social and political history of Britain as the point in which the tide of misunderstanding and injustice began to be turned. When Stephen Lawrence's mother cried out in court for justice for her murdered son, her comments were noted, but largely dismissed outside of the black community. But one national newspaper, not renowned for its anti-racist perspective, took Mrs Lawrence's side and accused the men thought to have murdered Stephen on the front page. What the moves of the *Daily Mail* did was to give a positive message to black people that the murder of a black person was seen to be as important as the murder of a white person. This was to many a monumental departure from the norm.

Previously we had seen murders and mysterious deaths ignored or excused away: Joy Gardner, Wayne Douglas, Ibrahim Sey, Clinton McCubbin, Shie Lapite. So when the *Daily Mail* sees the humanity of the Lawrence family and makes an issue of justice for that family it achieves much for race politics. We must acknowledge that the killers have not (yet) been brought to justice; none the less an important step has been taken that makes the lives of black people in Britain a little safer.

The second important event last month was the launch of the 1997 Reith lecture, given by Professor Patricia Williams. For the first time a black person is giving the lectures, and her chosen subject is race. Her language is both scholarly and poetic. She speaks of her experience as an African-American woman who is forced by the society in which she lives to consider herself black even when



Patricia Williams: It is rare to have a black person talking uninterrupted about the realities of racism. Photograph: Peter Macdarmid

she would rather focus on herself as a mother or a lawyer. It is rare to have a black person talking uninterrupted about the realities of racism, and doing so in a way that will cause an audience to take note.

OK, there is the odd occasion when a black person is heard on

radio or seen on TV. I have done so sometimes myself, but usually to comment on questions set by someone who is frightened of speaking about race or is hostile to black people. So, for example, there was a spate of commentary on Operation Eagle Eye and on the OJ Simpson trial; but there are few positive stories of black people in the media.

Although the initial reception to Professor Williams was largely hostile, once listeners could hear her for themselves they could draw their own conclusions. What has been most interesting about the lectures is that they are being largely ignored in terms of the content. There is to be a Reith Discussion on 1 April, but there has been little other follow-up debate about the relevance of her views to contemporary British

comment on its effects. Still, the Reith lectures are prestigious and provocative, this year's no less than any other, and it is a landmark that the subject is race.

The third event of significance is the publicity surrounding the demand for the return of the Benin Bronzes. For several years, the Africa Repatriations Movement has been calling for their return and that of other stolen and dubiously acquired art artefacts from Africa. This year is the centenary of the sacking of the Oba of Benin's palace and the looting of his thrones and bronzes; and museums are worried that they may have to give back things that they know to have been stolen. After Richard Gott wrote a lengthy account of the looting in *The Independent*, the following week Brian Sewell

in London's *Evening Standard* wrote in defence of hanging on to the treasures obtained by pillage and plunder. Within days I was able to reply, on behalf of The Africa Repatriations Movement, and put some of the case for the return of all African art and artefacts. A real debate has begun about whether African art and heritage is best retained in Britain or where it was produced and used.

The final associated event was the discovery on the Iffracombe coast of the cargo of HMS *London*, which went aground in 1796. A local amateur archaeologist found bones and manacles, which supported accounts that African slaves were on board when it sank. This finding may be the first of many such ships. It is probable that records have existed about sunken slave ships off the Liverpool and Bristol coasts, but these cities have tried so hard to ignore their past involvement with slavery that they and local archaeologists have preferred to keep its history buried.

The people of Iffracombe and north Devon have been sympathetic and sensitive to this

horrific find, and rather than act with shocked denial they have chosen to explore the past, however unpleasant. The short-term consequences have been positive for Iffracombe: the local people who found the remains and the local museum and archaeologists, who have received attention and publicity they could not have hoped for. This could be a model for the future.

There is nothing to fear in looking at slavery. We seek nothing but the truth. And if, as we believe will be the case, Britain's role as a slave exploiting and trading nation is acknowledged, perhaps we will all be able to live together in harmony.

The lesson to be learnt from all these examples is that there will be progress on the politics of race, such that it can be rendered redundant, only when black people are allowed to speak for ourselves and when we are listened to. When others, through hatred or guilt, seek to silence black people, race will continue to be an issue that divides.

Patricia Williams's Reith lectures continue tonight on Radio 4 at 8.30pm.

February 1997 may come to be seen as the point at which the tide of misunderstanding and injustice began to be turned

Passing the buck can be fatal

In two instances recently, public servants have buried, out of sight in the bottom drawers of their desks, information which, had it been shown to ministers and then made public, might have prolonged the life, or prevented the death of their fellow citizens. The first surfaced a fortnight ago when Nicholas Soames, the Armed Forces Minister, had to explain the hushing up of the spraying of toxic pesticides over the tents of British troops during the Gulf war. Then last Thursday, Douglas Hogg, Secretary of State for Agriculture, was forced to make an emergency statement about the failure of his department to disclose that abattoirs were becoming breeding grounds for the deadly *E. coli* and salmonella organisms.

In the former case, it is possible that medical treatment of soldiers who served in the Gulf and who have since been subject to the mysterious, debilitating Gulf war syndrome, would have been more effective if the use of the poisonous organophosphates had been acknowledged earlier. And in the latter case, it is equally likely that some of the recent deaths from *E. coli* infection might have been avoided if the alarm had been sounded 15 months ago that cattle were literally carrying the fatal organ-



Andreas Whittam Smith
If a minister has accepted arrangements that turn out to have put citizens' lives at risk, then he must resign

ism into abattoirs in the extra on their bodies.

We need to understand why such dereliction of duty is taking place in the government service. We have a measure of the gravity of the Ministry of Defence cover-up in the evaluation of Richard Mottam, the Permanent Secretary. He told the Commons Defence Committee that during his 28-year Civil Service career, he could not remember a more serious failure in the system. It runs counter to the notion that generally civil servants are only too pleased to dump troublesome files on the desks of their political masters. Surely the first rule in Whitehall is "pass the buck".

This is why I wonder whether the crude explanation that the public servants concerned were simply covering up their errors to avoid reprimand or dismissal can be the full account. I suspect the denial goes deeper. With regard to the Gulf war, if the Surgeon General and his division with its 150 or so staff were to admit that they had presided over a system in which the Army had, in effect, poisoned its own troops, they would destroy for ever their professional credibility with themselves, with their colleagues and with their families and friends; for many this would be a far greater punishment than any official penalties they might incur.

In the case of the Meat Hygiene Service, an offshoot of the Ministry of Agriculture, what happened is illustrated by comparing the unexpurgated report on abattoirs with the sanitised version. The unexpurgated text noted that, "Dirty animals arriving at the abattoir are a cause of further contamination: organisms, such as *E. coli* 0157 and salmonella, can be introduced into the plant on the skins of dirty livestock." The cleaned-up sentence reads: "The inspection teams were particularly concerned with carcass contamination from the skin and gastrointestinal contents." No reference to the organisms *E. coli* or salmonella here.

Even so, why did civil servants not show the rewritten report to ministers and cover their backs? The reason may be that, in effect, the inspection which preceded the writing of the report, when some 300 abattoirs were visited, had shown that Whitehall's recent reforms had largely failed. Sporadic carelessness was not the problem, but rather the very system the Government had approved. The new approach caused so much stress to animals on the way to slaughter, that diarrhoea was induced, and this made cross-contamination more likely. It was the professional competence of public servants rather than poor

procedures by abattoir staff which may have been the underlying issue.

These suppositions may explain but they do not excuse. After all, government is far from alone in confronting such difficulties. All businesses and organisations are vulnerable in the same way. Recent criminal trials show that mistreatment of children in care had been covered up for between 10 and 20 years. In the commercial sector, the NatWest bank has just discovered undisclosed losses of £50m, and Penguin Books twice that amount in its American operations.

Moreover, there are well-understood methods of minimising lax or false reporting. Many companies employ executives whose only job is to police the activities of their colleagues. In the City, these people work in what are called compliance departments. Outside the City, commercial organisations have long used a species of executive called an internal auditor for the same purpose. Ministers could make sure that similar solutions were applied to the problems within their departments.

Except that government ministers are as deeply involved in the techniques of avoiding blame as their civil servants. They have progressively reduced the list of shortcomings for which they can be held personally

responsible. For Mr Soames it comes down to just one: "If I had wilfully or deliberately misled Parliament, of course I would resign, but there is no suggestion of that, and it is quite clear the House accepts that."

Mr Hogg used the other main escape route — that the errors were committed by an agency of his department, rather than by those who report directly to him. As he said: "Policy is a matter for ministers. In this case, the implementation of policy is a matter for the agency (the Meat Hygiene Service). I have total confidence in the chief executive."

The public service, then, is poorly supervised. Ministers can get away with anything. Not the least of the next government's tasks will be to regain control. Rules of ministerial responsibility must be more tightly drawn so that if, like Mr Soames and Mr Hogg, a minister has accepted arrangements that turn out to have put citizens' lives at risk, then he or she must resign. There should not really be any argument about that. One day, when the cares of political office are well behind them, I imagine that Mr Soames and Mr Hogg will come to realise, looking back on the last weeks of the present government, that their refusal to take personal responsibility for their departments' failings was a dishonourable act.

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EMI warns of danger of euro turmoil

Yvette Cooper

The single European currency could face "unbearable strain" in its crucial "running in" period, the president of the European Monetary Institute warned yesterday.

In a speech sure to be read by the financial markets as a fresh signal of a possible delay to European Monetary Union, Alexandre Lamfalussy said members must have properly met the required budget deficit targets in order to avoid such turmoil.

Mr Lamfalussy, charged with preparing the ground for the future European Central Bank (ECB), said: "We will have to

live with the possibility of teething troubles during the crucial 'running in' period, putting considerable strain on the strategy and the technical capabilities of the ECB. Such strain could become unbearable ... if it were compounded by the consequences of initially weak budgetary positions in the member countries."

With rumours of delays to the EMU start date haunting the markets, analysts expected the president's remarks to trigger further jitters when trading opened today, even though he also stressed the importance of the single currency for the European single market.

Alison Cottrell of Paine Web-

ber said: "Anything which sounds vaguely pessimistic or cautious about EMU at the moment is interpreted by the markets as implying a delay, even if that isn't the intention at all."

Between 1 January 1999, when member states entering EMU will lock their currencies, and 2002 when the new euro notes and coins are in full circulation, different currencies will continue to circulate in the EMU zone. Many people fear that during the transitional period if the markets do not have full confidence in the shape of the single currency, or in member states' whole-hearted commitment to EMU, they could wreak considerable damage by speculating between parallel currencies. This would put considerable pressure on the European Central Bank.

Mr Lamfalussy, speaking at a forum in London organised by investment bank Robert Fleming and the London School of Economics, made it clear he thought that the ECB's task would be even more difficult if countries entering the single currency did not have a strong and sustainable fiscal position.

In his speech, Mr Lamfalussy said: "If fiscal positions are not initially under control, there may be repercussions on the single currency from large deficits and adverse spillovers across borders affecting Monetary Union as a whole from lax fiscal policies in individual member states."

The speech echoed recent concerns expressed by Hans Tietmeyer, president of the Bundesbank, that profligate fiscal policy by governments within the euro-zone could scupper any attempt by an ECB, no matter how independent, to maintain a prudent economic policy. As London Business School Professor David Currie explained in a recent research report on EMU: "If all countries were deeply in debt ... European real interest rates could rise sharply. This would make it harder to finance investment and would worsen the prospects for growth."

However, one city analyst pointed out that such remarks were to be expected from European central bankers, who always press the case for strict fiscal discipline and a strong currency, fearing anything that could weaken the euro.

Mr Lamfalussy spelt out what he thought the EMU's advice should be on the interpretation of the Maastricht convergence criteria. "The Treaty ... establishes two reference values that should not be exceeded: the 3 per cent deficit ceiling and the 60 per cent debt ceiling. ... Deviations from the reference values should be granted sparingly."

Pound dives as inflation cheer allays rate fears

Diane Coyle
Economics Editor

Brighter news on the inflation front pushed the pound sharply lower yesterday, with analysts confident that there is no danger of a rise in interest rates before the general election. Prices charged by manufacturers at the factory gate were flat last month, while a survey suggested growth in high street sales was weaker than expected.

Eddie George, Governor of the Bank of England, helped by saying he expected underlying inflation to reach its 2.5 per cent target this year. But he added: "The question is not whether we will reach it but maintain it."

Most City experts share the Bank's view that inflation will not stay on target for long, requiring a post-election increase in the cost of borrowing. Nevertheless, the pound lost more than three pence to end at DM 2.7270, while the FTSE 100 index rose just over 17 points to a record 4,437.4.

"The figures will help Kenneth Clarke in the monetary debate," said Andrew Cates, an economist at UBS, the investment bank. The Chancellor and Mr George are due to hold what is likely to be their last monthly meeting on 10 April, and the Governor is still expected to repeat his call for a small rise in base rates unless the economic picture changes dramatically before then.

The level of prices at the factory gate was unchanged in February, taking their year-on-year increase down to 1.3 per

cent, the lowest since oil prices collapsed in 1986.

The prices paid by manufacturers for raw materials fell 0.5 per cent during the month, taking them to a level 6.6 per cent lower than a year earlier. The strength of the pound combined with a fall in dollar oil prices accounted for the drop. Food and metals costs rose.

Separately, the British Retail Consortium's monthly survey showed that growth in the value of high street sales, on the same basis as last year, was 4.3 per cent. This was lower than January and about the same as December. The BRC described it as healthy but steady growth.

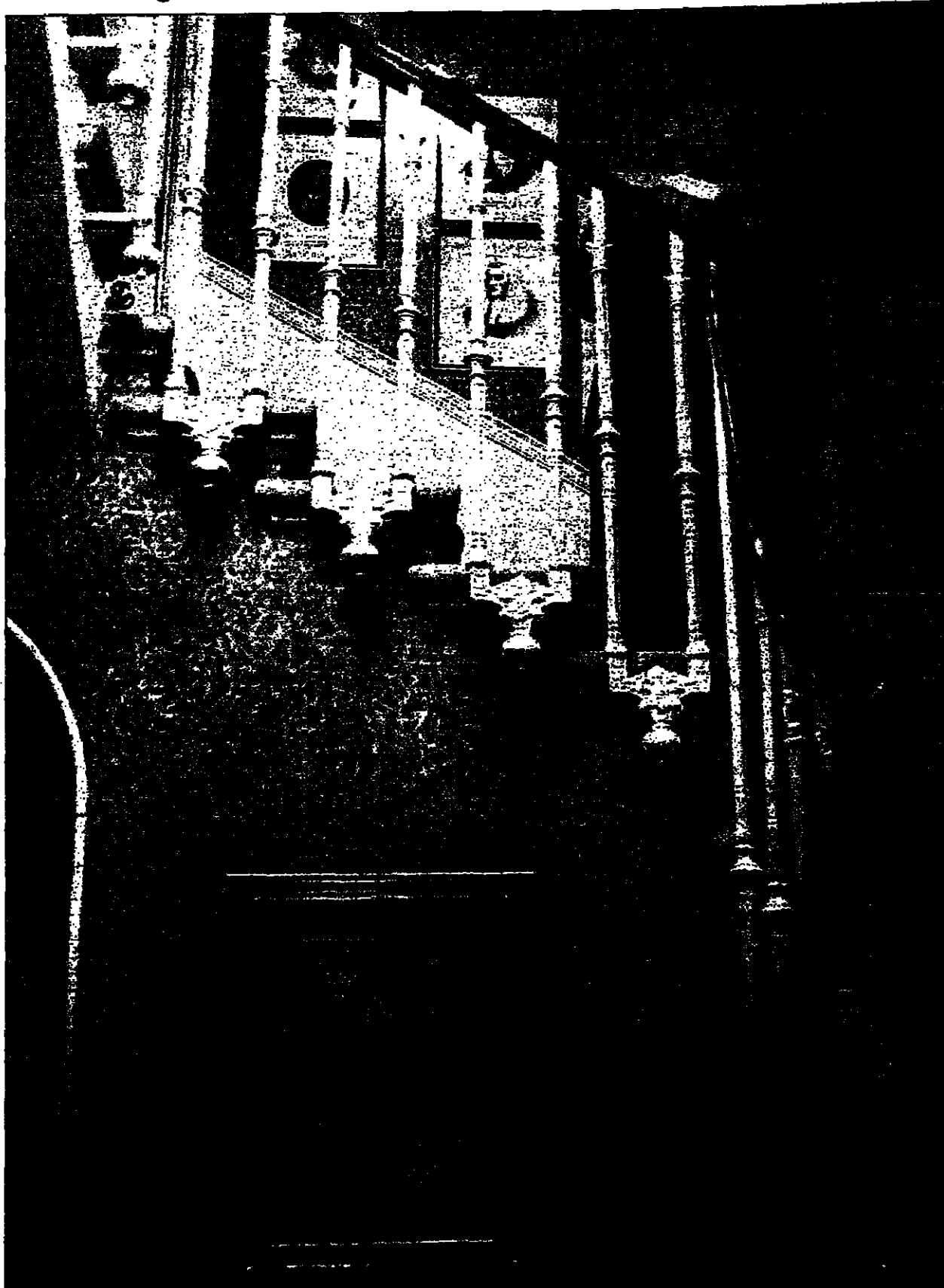
The impact of the exchange rate on prices on the high street showed most clearly in the London stores. For the second month running tourist demand was reported to be down.

Growth in the value of food and drink sales was also weaker than previously. Intense competition between retailers meant lower import prices were passed on to consumers.

But other areas, including clothing, housewares and carpet and furniture orders, showed a pick-up in sales growth. DIY and department stores also had a good February.

"Incomes are rising, unemployment is falling and consumer confidence is very high. Yet we are asked to believe that consumers are nervous about spending because of the election. That's not credible," said David Hillier, an economist at BZW, predicting higher inflation later this year.

Rosalind Wright to take over at 'beleaguered' SFO after its high-profile difficulties



Top flight: Mrs Wright is to switch roles from her current position as general counsel at the SFA. Photograph: John Voos

Serious Fraud Office appoints SFA director to succeed Staple

Patricia Wynn Davies
Legal Affairs Editor

Rosalind Wright, the new director designate of the Serious Fraud Office, yesterday pledged to examine suggestions for using the civil law to tackle white collar crime and to seek ways of cutting the length of fraud trials.

Speaking after the Attorney General, Sir Nicholas Lyell, named her as the £108,192 a year successor to the outgoing SFO director George Staple, Mrs Wright said the proposal for calling alleged fraudsters to account in the civil courts - where there is a lower burden of proof and no jury - was already under consideration.

Mrs Wright said she had begun to examine the issue at the Securities and Futures Authority, of which she is currently general counsel and an executive director. "It is something I had hoped to develop further," she said.

"We think this is probably the way things are moving," she said, adding that she would look at American experience of using civil measures "with great interest".

"Beleaguered" is how the SFO has come to be widely described in the wake of its more high-profile difficulties, culminating in the ruling out of a second Maxwell trial last year. Mrs Wright, a 54-year-old har-

Staple's five-year record

Appointed, April 1992
Retiring, April 1997

- 83 prosecutions brought
- 186 individuals tried
- 115 convictions
- 71 acquittals
- 62 per cent success rate

Biggest successes: Polly Peck, BCCI
Biggest failures: Maxwell, Guinness II, Guinness IV, Brent Walker, Blue Arrow, Roger Levitt (convicted but not jailed)



rier and mother of three grown-up children, will have an initial five-year contract to build on an already reasonable (though little noticed) conviction rate in the lower-profile cases whilst seeking to avoid more public relations disasters.

She has built up senior experience in an official organisation. Mrs Wright was formerly head of Prosecutions at the SFA, and between 1983 and 1987 was the head of the fraud investigation group in the Director of Public Prosecutions Department, the SFO's effective predecessor before its creation in 1988. Mr Staple had been a senior litigation partner with a City law firm before he joined the SFO in 1992.

As general counsel to the Securities and Futures Authority, she has been giving legal advice and analysis internally and externally, and as executive director she has devised and developed SFA (note SFA here) strategy and policy with an emphasis on enforcement.

A product of St Paul's Girls' School and University College London, she practised as a barrister in the chambers of Morris Finer QC before joining public service.

No one was predicting yesterday that life will be anything other than difficult when she takes over her new role on 21 April. A string of disappointments followed the early euphoria of the conviction of Ernest Saunders and the other

Guinness One defendants in 1990 - an achievement itself denied by Saunders' successful European Court of Human Rights claim earlier this year that he was denied a fair trial.

While the BCCI trials undoubtedly counted as big successes, the Guinness II and IV trials and the outcomes in Blue Arrow, Brent Walker, Roger Levitt and Maxwell I spelt failure in the public consciousness. Mr Justice Buckley put a stop to Maxwell II in forceful and pointed terms.

Mrs Wright, whose appointment had to be approved by Labour because of proximity to the election, said it was too early for a "mission statement" about her leadership of the agency. But she urged the public to have confidence in a system that had achieved a 63 per cent conviction rate since it began operations in April 1988. Of a total of 349 defendants, 219 have been convicted. At least one defendant, usually the principal offender, was convicted in 75 per cent of cases brought.

A number of convictions result from guilty pleas; however, sometimes following the acceptance of pleas to lesser charges than originally alleged. Mrs Wright will not want to preside over a repeat of the Roger Levitt affair where the defendant ended up with a token sentence.

Cellnet shaken as MD joins growing exodus

Chris Goddard
Business Correspondent

Howard Ford, managing director of Cellnet, the UK's second-largest mobile phone operator, yesterday resigned from his post with immediate effect.

No explanation was given for the resignation, which had come as a complete surprise to Cellnet employees, though the move follows growing criticism of the company's performance in recent months. A Cellnet spokesman said: "We have not been told what was behind this, or whether he resigned or was fired. You must draw your own conclusions."

Last night there were signs that British Telecom, which has a 60 per cent stake in Cellnet, was moving to impose greater control on the network which it owns with Securicor. BT said Stafford Taylor, managing director of its personal communications division, would "involve himself more directly in the management of the business until a successor is appointed".

Cellnet said Simon Moffat, finance director, would act as a temporary managing director. Mr Ford is the second senior executive at Cellnet to leave over the past six months. Late last year Steve Rowley, marketing director, moved to another job. Mr Ford, aged 45, has run the company for less than three years, having moved from a senior post with the computer giant IBM.

The resignation is the clearest sign yet of turmoil within Cellnet after a series of poor subscriber figures. Though the number of new customers joining the network has been encouraging, a larger proportion of people have decided not to renew subscriptions to the network than with Vodafone, the market leader, or Orange.

Though Cellnet does not publish monthly subscription figures analysts suggested that its net new customers numbers rose by just 10,000 a month in January and February. Orange's net subscriber base expanded by about 30,000.

One reason appears to be Cellnet's policy of offering attractive discounts for customers in effect subsidising the price of telephone handsets. The strategy apparently backfired last year as consumers failed to use the service as much as anticipated. The whole industry became gripped by a price war which hit the share prices of the two quoted stocks, Vodafone and Orange.

James McCafferty, a telecommunications analyst with stockbrokers Hoare Govett, said: "Their net connection figures have been very disappointing this year. The problem has been aggressive subsidies to dealers to sign up customers over Christmas 1995. These people have been leaving the network over the past few months."

Another problem has been the need to switch existing customers using the older analogue service to Cellnet's expanding digital network, in which it is investing more than £1bn over the next five years. Cellnet recently signed up its millionth digital subscriber, second only to Vodafone. But encouraging these subscribers to stay with Cellnet has meant offering more incentives.

BT has made no secret of its desire to buy out Securicor's 40 per cent stake in Cellnet and assume overall control. The move was blocked by the Government in 1995.

Nomura directors' heads roll

Richard Lloyd Parry
Tokyo

Two managing directors of Nomura Securities resigned yesterday after suspicions last week that they carried out illegal trading and paid the profits to an extortionist.

A Nomura spokesman said that resignations had been accepted from Shimppei Matsuki, the executive responsible for equity business, and Nobutaka Fujikura, in charge of management affairs.

Last Thursday the company

announced that two managing directors, whom it did not name, were suspected of illegally funneling stock trading profits to a company linked to a racketeer.

The top executives of Nomura, the world's biggest securities company, will hold an emergency meeting today to discuss damage limitation measures. Nomura's chairman and president resigned yesterday from posts on the Japan Securities Dealers' Association and the Federation of Economic Organisations. The Federation's

chairman, Shochiro Toyoda, said it was considering expelling Nomura from the organisation.

Hideo Sakamaki, Nomura's chairman, has already hinted that he will resign at the end of this month. "I'm the only one who carries a business card with the title of chief executive officer," he said.

But present scandal is remarkably similar to one which toppled Mr Sakamaki's predecessor six years ago. In 1991, Nomura admitted manipulating stocks, compensating clients for losses, and paying off gangsters.

STOCK MARKETS									
Index	Close	Day's change	Change(%)	1996/97 High	1996/97 Low	Yield(%)	Index	Close	Day's change
FTSE 100	4437.40	+17.10	+0.4	4437.40	3632.30	3.63	Nikkei	17920	+170
FTSE 250	4729.20	+15.40	+0.3	4729.20	4015.30	3.33	Dow Jones	7170	+10
FTSE 350	2191.90	+8.20	+0.4	2191.90	1816.60	3.56			
FTSE SmallCap	2386.14	+3.48	+0.1	2386.14	1954.06	2.89			
FTSE All-Share	2181.13	+7.69	+0.4	2181.13	1791.95	3.51			
New York	7024.36	+23.47	+0.3	7024.36	5032.94	1.93			
Tokyo	18113.89	+94.85	+0.5	22666.80	17303.65	0.891			
Hong Kong	13268.76	+68.59	+0.5	13868.24	10204.87	3.181			
Frankfurt	3433.07	+59.87	+1.8	3433.07	2253.36	1.481			

Source: FT Information

INTEREST RATES									
Short sterling*					UK medium gilt*				
1 Month	6.44	1 Month	6.44	1 Year	7.24	1 Month	6.44	1 Year	7.24
3 Month	6.32	3 Month	6.32	3 Year	6.54	3 Month	6.32	3 Year	6.54
6 Month	6.26	6 Month	6.26	5 Year	6.34	6 Month	6.26	5 Year	6.34
1 Year	6.20	1 Year	6.20	10 Year	6.24	1 Year	6.20	10 Year	6.24
2 Year	6.16	2 Year	6.16	15 Year	6.16	2 Year	6.16	15 Year	6.16
3 Year	6.12	3 Year	6.12	20 Year	6.12	3 Year	6.12	20 Year	6.12
4 Year	6.08	4 Year	6.08	25 Year	6.08	4 Year	6.08	25 Year	6.08
5 Year	6.04	5 Year	6.04	30 Year	6.04	5 Year	6.04	30 Year	6.04
6 Year	6.00	6 Year	6.00	35 Year	6.00	6 Year	6.00	35 Year	6.00
7 Year	5.96	7 Year	5.96	40 Year	5.96	7 Year	5.96	40 Year	5.96
8 Year	5.92	8 Year	5.92	45 Year	5.92	8 Year	5.92	45 Year	5.92
9 Year	5.88	9 Year	5.88	50 Year	5.88	9 Year	5.88	50 Year	5.88
10 Year	5.84	10 Year	5.84	55 Year	5.84	10 Year	5.84	55 Year	5.84
11 Year	5.80	11 Year	5.80	60 Year	5.80	11 Year	5.80	60 Year	5.80
12 Year	5.76	12 Year	5.76	65 Year	5.76	12 Year	5.76	65 Year	5.76
13 Year	5.72	13 Year	5.72	70 Year	5.72	13 Year	5.72	70 Year	5.72
14 Year	5.68	14 Year	5.68	75 Year	5.68	14 Year	5.68	75 Year	5.68
15 Year	5.64	15 Year	5.64	80 Year	5.64	15 Year	5.64	80 Year	5.64
16 Year	5.60	16 Year	5.60	85 Year	5.60	16 Year	5.60	85 Year	5.60
17 Year	5.56	17 Year	5.56	90 Year	5.56	17 Year	5.56	90 Year	5.56
18 Year	5.52	18 Year	5.52	95 Year	5.52	18 Year	5.52	95 Year	5.52
19 Year	5.48	19 Year	5.48	100 Year	5.48	19 Year	5.48	100 Year	5.48
20 Year	5.44	20 Year	5.44			20 Year	5.44		

CURRENCIES											
E/£				E/DM				E/Y			
<p>Only two exchange rates and 10 DM Marks at 2 DM each</p>											
Pound				Dollar							
Yesterday	Change	Year Ago		Yesterday	Change	Year Ago		Yesterday	Change	Year Ago	
\$ (London)	1.6019	-0.28c	1.5282	\$ (London)	0.6243	unch	0.6552	\$ (London)	0.6243	unch	0.6552
\$ (N York)	1.5935	+0.5c	1.5240	\$ (N York)	0.6235	-0.30	0.6582	\$ (N York)	0.6235	-0.30	0.6582
DM (London)	2.7283	-3.00pt	2.2842	DM (London)	1.7032	-1.57pt	1.4838	DM (London)	1.7032	-1.57pt	1.4838
Y (London)	194.813	-10.772	161.505	Y (London)	121.880	-10.265	105.825	Y (London)	121.880	-10.265	105.825
\$ Index	97.3	-0.8	83.7	\$ Index	104.0	unch	95.9	\$ Index	104.0	unch	95.9
OTHER INDICATORS											
1959				1959				Index			
Oil Brent \$	12.59	Bar's	4.36	Bar's	18.17	Index	154.4	-	146.0	13 Mar	
Gold \$	349.95	+0.94	395.50	GOP	109.7	+2.60c	107.0	25 Apr			
Sold \$	318.45	-0.94									



COMMENT

'Calls from the SFA and other City regulators for the burden of proof to be reversed so that responsible executives have to prove their lack of culpability look more and more like the right approach'

The buck should stop with senior executives

Where should and does the buck stop in organisations hit by catastrophic loss? There are two questions here, and the answers are often very different ones. After what is claimed to be a thorough investigation by Coopers & Lybrand and Linklaters and Paines, NatWest is about to take what is billed as "tough disciplinary action" against those held accountable for its £50m loss on interest rate options. The man directly responsible has already left and his immediate superior has been suspended. Up to three others are to be fired and perhaps as many as half a dozen shifted sideways into other positions.

The approach generally adopted in these exercises is to root out anyone with a finger-print on the episode - that is to say not just those who knew about what was going on but also those who negligently failed to spot it. The latter category is always the more difficult one, for those responsible for control often have a reasonable excuse. In any case it is nearly always true that organisations where this sort of thing happens have an endemic culture of poor control and cavalier practice for which the compliance department is not wholly responsible. Ultimate accountability for the management of an organisation should always lie with the top man.

So where to stop? It would plainly be ridiculous to call in this case for the head of either Lord Alexander or Derek Wanless, chairman and chief executive respectively of

NatWest, notwithstanding the embarrassing nature of their assurances only days before the losses were discovered about rock-solid controls in investment banking. But what about Martin Owen, chief executive of NatWest Markets? And if him, why not Lord Alexander and everybody else in the chain of command from top to bottom?

These are difficult questions and it would perhaps be silly to generalise across the growing number of rogue trader incidents. All the same, calls from the SFA and other City regulators for the burden of proof in such matters to be reversed so that responsible executives have to prove their lack of culpability look more and more like the right approach. There was a howl of protest when the SFA first floated the idea as part of its response to the Barings collapse.

Even so, the SFA seems determined to push through some kind of rule change in the near future. Other regulators should follow suit. The sooner City executives are made to realise that compliance and control are as important a part of their function as profits, market share and the size of their bonus, the better.

Pain of the strong pound may ease soon

As the company results season gets into full swing, there will be no shortage of complaints about the strength of the pound.

Psion is the latest, warning yesterday that the fact that it priced European sales in German marks would hit its sterling profits.

For the time being, exporters are taking the impact of the strong pound on margins rather than conceding market share. How long that goes on will depend on what happens to the exchange rate during the next six months. There are two parts to this debate. One is the shifting prospects for the single currency and how that will spill over into the semi-detached pound. The other is the outlook for the UK economy itself. They are tugging in different directions.

Take the Euro first. Although the more thoughtful analysts now reckon that the markets have taken the prospect of a delay too seriously, given that the chances of economic recovery in France and Germany are brightening, it is clear that the European currencies are in for several bouts of turbulence between now and next spring when the key EMU decisions will be taken. As long as the pound looks more likely to stay out than join the first wave, these bouts will tend to boost its exchange rate against the mark.

However, the domestic economic situation is likely to pull sterling in the other direction. There is short-term downward pressure anyway from the growing likelihood that Ken Clarke will resist Bank of England advice to raise borrowing costs - and might even, at an outside chance, cut interest rates in a final act of pre-election desperation. On a slightly longer term horizon, economists

now reckon that a Labour Government will raise interest rates but not too much because it will have a tougher fiscal policy. With US interest rates also likely to increase soon, the peak of the UK interest rate cycle should not be high and not too far away. Once the currency markets can see it they will price it in.

Put these two together, and what does it mean for the pound six months from now? City forecasts range from DM2.60 to DM2.85 - between a 3 per cent fall and a 5 per cent rise. But with the oil price falling and Ken Clarke's monetary policy not all that tough compared to our European partners, the odds must be on a decline. Company executives should sit tight, and put up with the pain a bit longer.

A dangerous race for Ecclestone

Bernie Ecclestone's plans to float Formula One have sprung a premature leak and, rather like Damon Hill during the warm-up lap in Melbourne, he and his advisers have encountered a few technical difficulties.

First off is the vexed question of what this business is really worth. Few industries are as secretive or as prone to intrigue as Grand Prix motor racing and Mr Ecclestone did not disappoint yesterday. No one is saying how much revenue the labyrinth of companies run under the Formula One banner bring in and Mr Ecclestone, and his financial

advisers, Salomon, have not yet even constructed the vehicle that will float.

Part of the problem is that the prospectus is still at least two months away and there is plenty of rubber yet to burn before Formula One is in a presentable shape for investors. The back-of-envelope calculations being offered yesterday suggest that it could be worth something like £2.4bn based on present cash-flow and with everything thrown in including that Ecclestone-owned camera technology which gives armchair Michael Schumachers a driver's eye view of every hairpin.

It probably does not matter that Mr Ecclestone owns neither race tracks nor race teams. What he does own are the much more valuable TV rights and with pay-per-view around the corner, even £2.4bn could be a conservative valuation. The danger from his point of view is that by floating the business and exposing its true worth, Mr Ecclestone will encourage others to demand a bigger share of the cake.

The commercialisation of football and rugby has already proved that sportmen are as avaricious as the next. Three of the 12 Formula One teams, including the present constructors champion Williams, are holding out against the current revenue-sharing deal offered by Mr Ecclestone. It would only take a Rupert Murdoch to come along with a rival plan, the money and a vast television audience to shunt the whole flotation into the pit lane.

A dispute over television rights could stop the planned \$4bn flotation in its tracks, writes Chris Godsmark

Formula One float threatened by row

Plans for a \$4bn (£2.5bn) flotation of Formula One, the promotional empire built up by the sport's undisputed king, Bernie Ecclestone, could fail to make the starting grid because of disagreements with three leading teams over the value of television rights.

Salomon Brothers, the US investment bank, confirmed yesterday that discussions were under way about a flotation which could value Mr Ecclestone's businesses at \$4bn, based on current and future revenue streams from the global television coverage. The advisers are aiming to list the company on the UK and US stock markets by the summer.

However, sources close to the deal said the simmering row over the percentage of lucrative television rights which flow to top teams had to be sorted out before the flotation could go ahead. "Unless this situation is resolved, it could stop the float, it's as simple as that. It's a very difficult situation."

Formula One is one of several Ecclestone companies connected with the sport and earns huge, though undisclosed, revenues from the 16 yearly televised races. Each grand prix is estimated to net an astonishing 400 million television viewers world-wide, beaten only by the Olympics and World Cup, which only take place every four years.

The dispute has brought Mr Ecclestone into conflict with Frank Williams, the enigmatic head of the sport's leading team. Alongside Benetton and Tyrrell, the Williams team has refused to sign the Concordat Agree-

ment, which divides up rights between constructors. The sums involved have never been made public, though another concern of Williams is thought to have been the question of who will succeed Mr Ecclestone, now aged 65, after he retires. "He may not look it, but Bernie's an old age pensioner and you need to know who is taking over the helm," said the source.

Flouting Formula One would solve the succession issue by putting a more developed management team in place, but the question of revenues from television rights has so far proved more difficult. Last night, a

Interactive digital TV could net the sport \$600m a year in five years' time

other source close to Salomon Brothers suggested the flotation could still go ahead without an agreement with Williams and the two other teams.

The problem is made worse by the dramatic estimates of future income from digital pay-TV. In Germany, Mr Ecclestone's company has already done a rights deal with the DFL channel which will enable viewers to select their own camera angle from the cars, using equipment

which is manufactured by another Ecclestone company, Formula One Promotions.

The prize, expected to be confirmed later this year, will be a formal pay-per-view alliance with BSkyB. It is predicted that interactive digital TV could net the sport £600m a year in five years' time. The more aggressive approach has already had one well-publicised casualty, as the BBC lost its grand prix coverage rights to ITV from the start of this season. The deal, which the BBC claimed had been sewn up without its knowledge, increases annual revenues from UK terrestrial TV fivefold, from £3m to £15m.

Even if the flotation fails to make it out of the pit lane, business consultants are already predicting a revolution in grand prix merchandising similar to that seen across Europe from top football clubs and driven by the expectation of hundreds of millions of pounds in revenues from digital pay-TV receipts. One possibility is that in the longer term several leading formula one teams could also seek a stock market listing, following the lead of Premier League football clubs.

The Williams team, which has dominated formula one in the 1990s with world championships for Nigel Mansell and, last year, Damon Hill, is working with Andersen Consulting to examine ways to improve its profitability. Robert Baldock, Andersen's partner advising Williams, declined to give details of the advice but confirmed that it was intended to raise revenues and exploit mar-



A winning formula: Bernie Ecclestone (right) with Ferrari's team manager, Jean Todt. Photograph: Mike Cooper/Allsport

keting value from the team's brand image.

Surprisingly, although formula one has always been seen as one of the most commercial of sports, it has been slow to exploit the merchandising possibilities of its brand. Mr Baldock explained: "Certain areas of formula one are completely underdeveloped. In the more general case of merchandising and the value of marketing the teams are well behind football clubs, which is strange given their popularity with the viewers."

From this perspective, what is more surprising is why it has taken so long for Mr Ecclestone to realise the value in his own network of businesses. The flotation is the peak of a long career in which he has run a championship-winning grand prix team and elevated the sport to arguably the most watched in the world.

Mr Ecclestone rose to fame on the wave of commercialism which gripped the sport during the 1970s after Lotus's decision to put sponsors' names on the side of cars at the end of the 1960s. He bought the now defunct Brabham team, bringing world championships for Brazilian Nelson Piquet in 1981 and 1983. But as money poured into grand prix racing Mr Ecclestone realised the increasing importance of constructors to its long-term success, leading the Formula One Constructors Association (Foca) in a high profile dispute with the industry governing body, the FIA.

The expansion of his business interests, which include Formula One, the Foca and Formula One Promotions based at Biggin Hill Airport in Kent, is

nothing new. Last year he bought Biggin Hill's historic West Camp, part of the former World War II airbase. Bromley Borough Council is still waiting to hear what he intends to do with the land.

His rise was more remarkable given that he had none of the aristocratic origins of other top team owners or drivers. The son of a trawler captain, he began his career as a secondhand car dealer. Given his record since then, the betting must be that the flotation plans will make the chequered flag.

Mr Potter dismissed the threat from Microsoft, saying that reviews of the rival operating system had been poor in America. He said he was confident that Windows CE would expand the market for handheld computers and added that he was satisfied that Psion's technology was sufficiently advanced for the company to benefit from that larger market.

Looking ahead, Mr Potter said Psion planned to launch two products this year using a new 32-bit technology that it had developed out of the less powerful 16-bit technology that drives its Series 3 and Siena palmtop computers. The new generation of products is likely to include smartphones and other devices that merge computing and telecommunications disciplines.

Investment column, page 17

Psion profits jump by 38%

Tom Stevenson
City Editor

David Potter was back at the helm at Psion yesterday, presenting a 38 per cent jump in pre-tax profits from the handheld computer maker only three months after a heart operation threatened to end the chairman's entrepreneurial career.

Despite another set of solid figures, and the return to health of the company's founder and driving force, Psion's shares, which have risen more than twentyfold in the past four years, tumbled 24p to 408.5p after the company disappointed dealers by refusing to name the large electronics companies it says it is lining up to licence its unique operating system.

The decision to licence out its software was taken last year after Psion realised it was too small in the context of the global information technology market to go it alone. Although the company plans to remain a manufacturer of computer hardware, Mr Potter admitted that licensing royalties would become a significant contributor to group profits within a couple of years.

The fall in the share price was also driven by worries over the effect of the strong pound on profits this year and by concerns about the impact of Microsoft Windows CE, a version of Windows 95 which the US software giant has developed for handheld computers.

Mr Potter dismissed the threat from Microsoft, saying that reviews of the rival operating system had been poor in America. He said he was confident that Windows CE would expand the market for handheld computers and added that he was satisfied that Psion's technology was sufficiently advanced for the company to benefit from that larger market.

Looking ahead, Mr Potter said Psion planned to launch two products this year using a new 32-bit technology that it had developed out of the less powerful 16-bit technology that drives its Series 3 and Siena palmtop computers. The new generation of products is likely to include smartphones and other devices that merge computing and telecommunications disciplines.

Tory grills PIA chief over pensions mis-selling backlog

Colin Brown
Chief Political Correspondent

The head of the pensions watchdog was attacked by a Tory MP yesterday over the failure to speed up the backlog of 558,000 claims for alleged mis-selling of private pensions.

Joe Palmer, chairman for the Personal Investment Authority, was given a grilling by Quentin Davies, a senior Tory

member of the Commons Treasury select committee, which is expected to lead to a highly critical report.

Collett Bowe, chief executive of the PIA, said the board had confidence in Mr Palmer's chairmanship, whose appointment was criticised by the committee two years ago.

But Mr Davies said he was "astonished" by the PIA's failure to make more progress. His

criticism could undermine the Government's efforts to put Labour on the defensive in the Commons on Thursday with a full-scale debate on Social Security Secretary Peter Lilley's plans for privatising the state pension system.

Sir Andrew Large, head of the Securities and Investments Board, was summoned last week by Angela Knight, a Treasury minister, to the Treasury to

be told to end the "foot-dragging" over the payment of compensation to those who were wrongly advised to take out private pensions in the 1980s.

Ms Knight is reported to have warned that criminal charges could be laid against some of those responsible for mis-selling pensions.

But Ms Bowe indicated that prosecutions were not the priority. She said under the law,

they had to find "proof of guilty intent or recklessness" to prosecute. "Our entire effort is focused on what for us as an investment protection agency is the bottom line."

Ms Bowe, a former government chief press officer at the DTI, told the committee the total number of cases for review was over 558,000 of which 478,000 were in priority categories set by the Securities In-

vestment Board. She told Mr Davies that until the review was complete, she could not say how many cases of mis-selling had happened. But she said 37,000 cases had been completed, of which 11,000 had led to redress. In a total of 7,000 cases, compensation had been accepted. A total of £80m had been offered in compensation and £61m had been paid.

The committee two years ago

attacked the appointment of Mr Palmer, a former head of the Legal & General, for a possible conflict of interests.

Mr Palmer defended his appointment, in spite of the disclosure - read out in the committee - by the *Independent* that Legal & General was among the "worst offenders" of insurance companies, with a long backlog of claims for mis-selling.

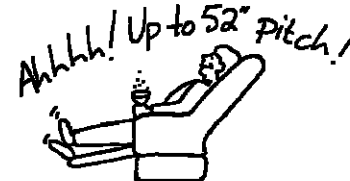
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business

IMI spree to continue as profits leap ahead

Clifford German

IMI, the specialist engineering, fluid power and building products group, said yesterday it planned to continue last year's spending spree this year, adding to the £239m it shelled out on acquisitions in 1996. News of the ambitious spending plans accompanied a leap in profits to a record £161.1m, almost double last year's figure.

According to finance director Alan Emson, last year's main acquisition, the £134m purchase of German thermodynamic radiator valve manufacturer Heimeier, made a strong first time contribution, chipping in £80m and £20.3m to sales and operating profits in its first full year of ownership.

"Heimeier had a terrific year and is on track to deliver the growth envisaged at the time of the deal. The German building market has been sluggish, but the acquisition of Heimeier has given us the opportunity to seek out fresh continental markets," Mr Emson continued.

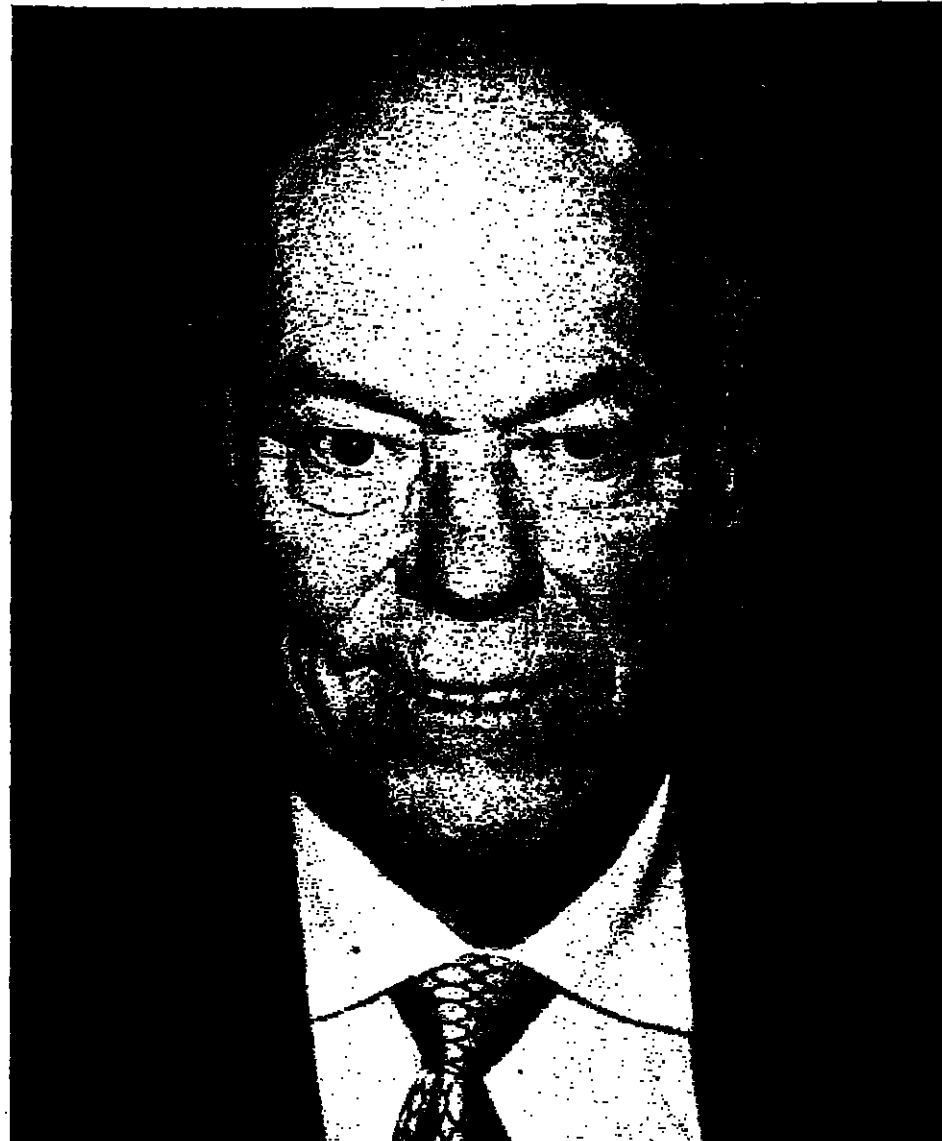
IMI's profits excluding exceptional items rose 30 per cent to a record £137.5m last year, although this was no more than analysts had expected. But a sharp swing in exceptional

items from a charge of £19m to a contribution of £23.6m, helped virtually double the pre-tax profit to £161.1m.

Exceptionals included a profit of £70m on the loss-making titanium businesses which were swapped for a 38 per cent stake in Tinet, most of which was sold in June. They were balanced by provisions including a £25m write-off on Yorkshire Alloys which will close in May 1997.

The accounts use average exchange rate for the year which limited the adverse impact of the strong pound in the second half to just £1m. The chairman Sir Eric Pountain put a confident gloss on the results and future prospects, and the shares rose 18.5p to 382.5p.

Most of the improvement in operating profits came from the restructuring of the businesses. Heimeier has easily shrugged off the woes affecting much of the German economy. It has already begun to benefit from IMI's existing outlets and the weakening of the German mark in the second half of 1996. Continuing operations, however, made £118.2m, an increase of 3 per cent on an unchanged turnover. In the UK, water-heating suffered from the low level of housebuilding but air



Sir Eric Pountain: Confident in IMI's future prospects as annual profits almost doubled

conditioning activities continued to benefit from the warming climate and overall margins in the division were 50 per cent higher than in 1995.

Profits from Drinks Dispense, which makes soft drink mixers and beer dispensers for pubs

and restaurants, slipped to £33.8m and Fluid Power barely held its own at £30.4m, reflecting weaker continental sales.

The acquisition of Mosier in the US made a contribution but the acquisition of ISI Automation for £80m came too late to

have any effect on profits. Special engineering division made £15m, an increase of 8 per cent, although Yorkshire Alloys which makes special tubes for export markets, was badly hit by the strong pound and made a loss of £2m.

IN BRIEF

Chairman bids for Ipeco shares

Ipeco has received a bid approach from its chairman, Chris Johnson, for the 32 per cent of the shares not already owned by him and his family interests. The proposal would value each outstanding share at 90p and the whole of Ipeco at £24.86m. Additionally, shareholders would be entitled to receive a final dividend of 2.3p net for 1996.

Reshuffle at CIA Group

CIA Group is restructuring and strengthening its board. The currently combined role of chairman and chief executive officer is being split and the non-executive board representation has been strengthened. Chris Ingram, founder of CIA and until now chairman and chief executive, becomes executive chairman. David Reich, chairman of the group's European operations and a main board director, becomes chief executive. Michael Mander and Andrew Seth are joining the board as non-executive directors.

Spirax ahead in tough trading

Spirax-Sarco Engineering reported a 9 per cent increase to £47.1m in pre-tax profits for 1996. The dividend is being raised by 12 per cent to 14.8p. Chris Tappin, chairman, said the profits improvement was achieved despite trading conditions being generally less favourable than last year. Group turnover in 1996 was £272.0m, up 8 per cent the previous year. Business levels have continued to grow since the end of 1996, although the strength of sterling continues to affect profits, nearly three-quarters of which are earned overseas.

Profits up at Premier Oil

Premier Oil's profits before tax advanced from £35.6m to £68.5m in 1996, a result that was accompanied by a 10 per cent dividend increase to 0.55p. Capital expenditure in the year was £52.5m, of which £34.6m was spent on exploration and £17.9m on development. Acquisition costs of assets in Indonesia, Australia and Pakistan totalled £114.6m, of which £79.1m was funded from cash and £35.5m from additional borrowing. For this year, the company plans a drilling programme of 25-30 wells in eight countries.

Intrum Justitia looks to expand

Intrum Justitia's full year pre-tax profits rose from £15.6m to £16.8m. Dividend is 4.1p, up from 3.8p. Bo Goranson, chairman of the financial company, said: "We have had a good year and we intend to build on this through further organic growth. We will continue to look at acquisitions and expansion into new markets." Turnover last year rose 20 per cent to £104m, but Lars Rohwer, chief executive, said the rise in sterling towards the end of the year could affect the results in 1997 if the pound stayed at these levels.

Candover sees no slowdown

Candover Investments said full year pre-tax profits increased from £6.56m to £7.45m. Net asset value at the end of 1996 was 635p per share, up from 464p a year ago. Roger Brooke, chairman, said there were no signs that activity was slowing down and the results of a recent research project it carried out indicated that 62 per cent of the largest 500 UK companies would make a disposal within the next five years. "We continue to see interesting opportunities, particularly as large groups disposing of divisions, now as a matter of course, approach financial buyers such as ourselves as well as potential trade purchasers," he said.

A&L plays ace with 2% discount in card war

Steve Lodge

Alliance & Leicester, the building society due to become a bank next month, will this week launch what is thought to be Britain's first "cash-back" credit card.

Instead of holders earning points - as is the case with several other cards - Money Back cardholders will get cash rebates worth up to 2 per cent of what they spend. The move is a significant attack on the already competitive credit card market and competitors warned that the A&L will find it difficult to make the card profitable.

The deal looks particularly attractive to the half of all credit card users who pay off their bills in full every month because it will in effect give them a discount on their purchases. Money Back is free - it has no annual fee - and has the

usual interest-free period. Borrowers are charged a competitive interest rate of 17.9 per cent, with a rate of 12.9 per cent on debts transferred from other cards.

A competitor said: "You can't fail to say it's a good deal - for users who pay off their bills it's something for nothing."

The rebate might be worth £43 for a typical cardholder spending just over £3,500 in total this year and £106 for someone spending £6,800. The rebate is 0.5 per cent for spending up to £3,000 a year, 1 per cent for spending above this first £3,000. But for 1997 the rebates are double.

A&L said it had chosen this type of card because it had to do "something different" to compete and because its research said cardholders were "tired of gimmicks" such as points schemes. But competitors

said the danger was the cards attracted too many people who pay paid their bill in full.

A&L said it hoped to make money through attracting people who borrow on their cards and also because it expected higher than average usage.

Although users will not pay an annual fee and many will pay no interest, card-issuers still earn commissions from shops and other merchants who take cards. This commission is worth 1.7 per cent of the value of a transaction, of which the issuer normally gets 1 per cent and the bank administering the payment of vouchers gets 0.7 per cent. A&L is one of these administrators, called merchant acquirers.

The past year has seen increasing competition and fragmentation of the credit card market, with an estimated 120 new cards launched.

Wassall to hand back £150m

Magnus Grimond

Wassall shares jumped 22p to 376p yesterday after the bottle to its luggage conglomerate announced plans to repay £150m to shareholders alongside the return of its US copper wire business, General Cable.

Investors will receive around 70p a share from the special payment, which has been structured by SBC Warburg, the merchant bank, as a capital consolidation along the same lines as similar deals for Yorkshire Water and Southern Electricity.

Chris Miller, Wassall chief executive, hailed the move as blazing a new trail for conglomerates. "We can't set out to copy a Hanson or a BTR, or even a Williams or a Tomkins," he said. Wassall wanted to set out a different strategic vision for conglomerates.

However, Mr Miller said the group did not want to be put in a "straitjacket" of having to do similar deals every three years or with every acquisition. "But we will where we can create value for shareholders."

The payout will be made from the proceeds of the expected £750m US flotation of up to 70 per cent of General Cable in May. Mr Miller said the expected \$590m net proceeds of the initial public offering would leave the group with around £190m, even after handing back £150m to shareholders.

Yesterday's news came as Wassall unveiled a dip in pre-tax profits from £57.5m to £53.1m for the year to December. Stripping out copper losses and exceptional items, profits rose 30 per cent to £65.9m. Dividends for 1996 rise 29 per cent to 7.1p, after a final of 5p.

Fairey faces up to Burnfield costs

Fairey, the Surrey-based engineering group, admitted yesterday that the acquisition of Burnfield just before Christmas would only be earnings-neutral in 1997, writes Tom Stevenson.

John Poulter, chief executive, said reversing Burnfield's previous policy of capitalising its research and development expenditure and the cost of servicing higher than expected debts within the company would affect trading profits this year.

Fairey benefited from a string of acquisitions last year, of which the hostile tilt at Burnfield was the latest. These transformed flat underlying operating profits into a 29 per cent profit before tax increase for the year to December. Mr Poulter said the companies it

bought in 1996 had settled in well and would strengthen Fairey this year.

Burnfield's two trading businesses, Malvern and Beta, were still intrinsically good businesses, according to Mr Poulter. "We have not been at all disappointed with what we found," he said.

Profits before tax jumped 29 per cent to £44m (£34.2m) on sales 26 per cent higher at £246.6m after contributions totalling almost £10m from two electronics division acquisitions, Particle Measuring Systems and Fusion, disguised slow growth from existing operations.

After a 17 per cent rise in earnings per share to 32p, a final dividend of 6.15p was a total for the year of 3p.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
British Vita (F)	89.6m (87.6m)	57.2m (55.7m)	18.8p (18p)	8.25p (7.85p)
Britannia Aggregate (F)	27.3m (24.2m)	1.53m (1.39m)	1.8p (1.7p)	1.25p (1.25p)
Caldenham (F)	40.6m (61.1m)	1.82m (3.74m)	3.12p (4.88p)	nil (2.8p)
Candover Investments (F)	- (-)	7.45m (6.56m)	187.82p (100.9p)	16p (13.25p)
Charles Sidney (F)	325m (106m)	6.63m (3.7m)	10.1p (7.3p)	4.2p (3.7p)
CINE (F)	24.5m (19.9m)	27.5m (18.5m)	27.4p (18.2p)	4p (3.5p)
Crown Holdings (F)	77.0m (60.3m)	0.82m (4.40m)	3.9p (12.5p)	7.5p (7.5p)
Devere & General (F)	42.2m (26.4m)	5.80m (5.30m)	56.21p (52.05p)	14.5p (12.25p)
FAI (F)	1.31m (1.21m)	191m (87.2m)	31.5p (16.4p)	13p (11.5p)
Indigo Oil Healthcare (F)	37.2m (38.3m)	1.01m (-8.17m)	4p (-3.2p)	7p (-)
Intrum Justitia (F)	104m (86.7m)	16.8m (15.6m)	12.3p (10.2p)	4.1p (3.8p)
Laporte (F)	1.05m (1.07m)	78.7m (24.5m)	21.1p (4.3p)	21.1p (4.3p)
Persimmon (F)	451m (240m)	33.1m (22.8m)	15.2p (15.5p)	9.5p (8.5p)
Persimmon Group (F)	147m (158.4m)	6.01m (2.83m)	17.2p (14.4p)	5.7p (4.4p)
Polypipe (F)	93.1m (94.2m)	11.3m (3.76m)	4.05p (4.05p)	0.92p (1.07p)
Pylon (F)	124m (90.6m)	16.0m (11.7m)	15p (10.75p)	2.25p (1.67p)
Raydon Group (F)	64.8m (68.2m)	7.02m (5.83m)	21.5p (14.3p)	10p (7.5p)
Sanderson Investment (F)	600m (517m)	12.3m (9.23m)	24.36p (20.09p)	4.8p (4p)
Spirax (F)	272m (251m)	47.1m (43.1m)	38p (33.8p)	14.8p (13.2p)
Trade Group (F*)	22.3m (22.2m)	1.42m (2.45m)	8.8p (16.8p)	3p (2.8p)
Wassall (F)	971m (973m)	53.1m (57.5m)	18.4p (18.5p)	7.1p (6.5p)

(F) - First; (F) - Second; (F) - Current; (F) - 15 months; (F) - 12 months; (F) - comparative; (F) - profits

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Leng puts a stop to Laporte's shop till you drop policy

The magic of Jim Leng, worth 30p on the price of Laporte shares when his appointment as chief executive was announced 18 months ago, is at last starting to have some effect. There have been moments when the man credited with reviving Dundee paper and packaging group Low & Bonar looked like having the reverse effect. In a brutal kitchen-sink operation, Mr Leng wiped over a fifth off the share price after unveiling a profits warning within months of his arrival and then proceeded to ruthlessly clear out the old guard at the top of the chemicals group.

That something needed to be done is reflected in the fact that the shares have underperformed the rest of the market by over a third in the last five years. Yesterday's figures for 1996, the first full year with Mr Leng at the helm, are complicated by the huge changes he has wrought. The pre-tax profit jump from £24.5m to £78.7m is after huge exceptional provisions of £88.7m in 1995, mainly for restructuring, and another £48.3m last year, when the focus shifted to removing some of the underperforming parts of the portfolio. In the space of 15 months, Mr Leng has axed or sold a third of the group's operating sites, raising £165m in the process. Given that the businesses were generating only 9 per cent of sales, it is perhaps hardly surprising that the return from the resulting cash equals the annualised profits foregone.

But it goes a long way to explaining why a fresh eye can work wonders at a tired business. Laporte had become hooked on acquisitions: last year was the first in 16 that it had not bought anything, after picking up 140 businesses since 1980. Gearing of 62 per cent has been wiped out and the company boasts net cash of £133m.

There is not much more to clear out, but Laporte is talking to interested parties about the rumour of the seals and adhesives businesses in the US, which analysts reckon could fetch about £50m. The remaining odds and sods, including industrial materials, could pull in another £20m.

Mr Leng reckons £300m to £400m of acquisitions would

still leave interest cover at a comfortable seven to eight times. Purchases are likely to come this year, but not as widely as the press has been emphasising the prudence of shareholder value.

The City will want to see that applied to the existing operations first. Underlying margins rose from 11.8 to 12.9 per cent, with £7m of the promised £10m of cost savings kicking in so far, but there is clearly more to go for. Kleinwort Benson's forecast of £135m, including an £8m currency hit, would put the shares, up 26.5p at 655p, on a forward multiple of 14. Worth holding on.

Pison calls for leap of faith

Yesterday's slide in Pison's share price was a pretty grudging reaction to yet another sparkling set of figures from the hand-held computer maker and the welcome return of David Potter to the company's helm. Although the party line was that the company had been left in capable hands during his convalescence from heart surgery, it is hard to escape the conclusion that Pison without its founder would have been a much less valuable proposition than it is with him back in charge.

Under his visionary command, Pison has been a magnificent investment since a profits hiccup sent the shares tumbling in 1992. Since then

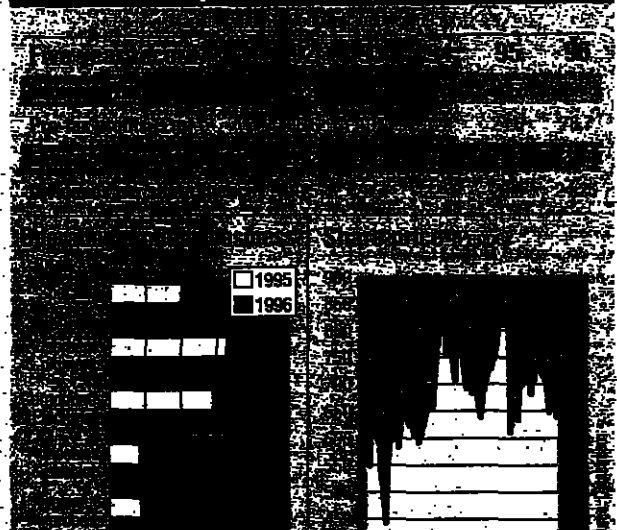
they have risen more than 20-fold as profits have risen without fall every six months. Yesterday's full-year numbers were no exception with profits up an impressive 38 per cent in 1996.

Valuing any company requires some pretty heroic assumptions about future trends, but with a company operating in Pison's cutting-edge markets forecasts are more than usually finger-in-the-air. Twenty years ago few of us had even seen a computer, let alone used one; now they are as familiar as the telephone. Not even someone as bright and far-sighted as Mr Potter can have a clue what the next 20 years hold.

That makes an investment in Pison a leap of faith in the ability of Mr Potter and his team to read trends quickly and adapt the company appropriately. The decision to license out the company's unique operating system is an example of the sort of flexibility required if Pison is to stay ahead. It is a fiercely competitive market and the threat from the likes of Microsoft and the Japanese is daunting.

With so much uncertainty, using traditional valuation yardsticks is unlikely to be very meaningful, but it is a start. On the basis of forecast profits this year of £24m and earnings per share of 21p, the shares trade on a prospective p/e multiple of 19. For a firm that has grown profits at a compound rate of 40 per cent for years that seems good value.

Laporte: At a glance



Polypipe's window of opportunity

Polypipe has a problem. Its core business, plastic pipes and fittings, is not only mature but in some areas, such as land drainage and road construction, sales are declining by about 10 per cent. The patchy state of the housing market is another cause for concern, as is Polypipe's inability to raise prices charged to builders' merchants and hundreds of independent DIY outlets.

One solution is to expand geographically by acquisition. France now makes up almost 12 per cent of Polypipe's turnover, and more deals on the Continent are in the pipeline given the ungearing balance sheet. But how robust the continental capital goods

market will be as hard currency countries whip themselves into shape ahead for the single European currency is anybody's guess.

New product ranges are also being developed, notably windows, to keep Polypipe's impressive 11-year record of unbroken profits growth intact. In the first half, pre-tax income rose by 16 per cent to £11.5m on sales from continuing operations 8 per cent ahead at £93.1m.

Kevin McDonald, the chairman and managing director who owns 18 per cent of the shares, reckons windows could be Polypipe's main business within two years. But much rides on a sustained improve-

ment in the maintenance and refurbishment markets, of which there is little sign.

There is plenty to go for - Premier has only 6 per cent of a growing market - but investors should be wary of mature companies which try to re-invent themselves.

In the meantime stable raw material prices, tight cost controls and investment in plant and machinery should ensure full-year profits move ahead again to about £33m (£28.5m).

That puts the high-flying shares down 14.5p to 240.5p, on a prospective p/e ratio of 11. Not demanding, but given the uncertainty ahead and a doubling in the price over two years, high enough.

Surge in homes market opens door to 96% rise at Persimmon

Patrick Toohar

Persimmon, Britain's third-largest housebuilder, yesterday painted a bright picture of prospects for the housing market across Britain, despite recent mixed signals from leading mortgage lenders. "We remain very confident of the long-term future potential for housebuilding," said Duncan Davidson, chairman.

"We anticipate that in due course the better trading conditions which we are experiencing in South-east England will spread to all our 16 operating companies across the UK." Average house prices should rise by 7 per cent to £80,000 this year, Mr Davidson added.

His forecast is in line with that of Halifax Building Society, which last week reported sharp fluctuations month to month in the price of new housing. Both Halifax and Nationwide said average house prices rose in February after falling in January.

Mr Davidson was also sanguine about the prospect of a new Labour government on the housing market. "There may be a couple of quiet weeks immediately preceding and after the general election, but overall I don't think any change of government will deter buyers from entering the market."

Mr Davidson's comments came as Persimmon reported a 96 per cent rise in pre-tax profits before exceptional items to £36.3m for the year to December. The improvement was helped by the first-time inclusion of Ideal Homes, bought from Trafalgar House a year ago for £177m, which contributed sales of £164m.

Mr Davidson said Ideal Homes had been immediately integrated into Persimmon and the benefits were already being realised.

A £3.2m charge was taken to cover the cost of closing Ideal's head office and six subsidiaries as well as rebranding all its sites. The Ideal Homes deal also

helped increase the size of Persimmon's land bank from 23,600 plots to 27,030 - enough to meet the group's building requirements for the next four to five years.

Persimmon, which specialises in three- and four-bedroom houses, expects the number of completions this year to rise by about 10 per cent to 6,600 houses.

Stripping out Ideal Homes, turnover rose from £249m to £287m for the year to December. Earnings per share before one-off items advanced by two-thirds to 15.6p. The dividend was held at 9.5p.

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Group	220 1/2	-5
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business

At last, Japan is facing up to the need for radical change

Suddenly Japan is going Anglo-American. The failure of Japan to make a sustained recovery from the recession has led to a radical rethinking of the way its economy is organised. From running a top-down, planned model with a high degree of regulation, dominated by very large firms and banks, it is moving to a bottom-up, market model much more like that of the US and UK.

It is a change similar to that which took place in the 1950s, when severe labour unrest in the mining and car industries led the shift from a confrontational approach to a co-operative one. While this brought many benefits, in particular securing employee support for continuing industrial change, it only helped restructuring in the giant corporations.

Much of the rest of the economy, that which was not exposed to foreign competition, failed to change and was in practice protected by the co-operative approach. The result is a two-tier economy, with a few world-class companies, almost entirely in manufacturing and driven largely by export demand, and a large number of less efficient enterprises particularly in the service sector, living off a protected domestic market.

While there was general economic growth this was acceptable. The world-class firms could pull up the living standards of the whole economy - though Japanese people were puzzled that they did not seem to enjoy as high a living standard as they might have expected from their country's position close to the top of the GDP-per-head table.

But failure to restructure the part of the economy which is not internationally traded has meant that, unlike in the US and UK, domestic demand has not recovered and pulled the economy out of recession. The export sector has performed well, and will perform better now that the yen has fallen to a more ac-

ceptable level. But the export sector is not of sufficient size to pull up the whole economy.

One side-effect of the massive switch to overseas production by Japanese firms is that the amount of exports that are physically made in Japan has been shrinking. Japan now exports a much smaller percentage of GDP than it did in 1960, the only major developed country where this has occurred.

The result is that Japanese business and economic leaders have concluded that the only way to stimulate demand is to carry through a radical programme of structural change. Some aspects of that are already evident: the ending of the residual exchange controls, the granting of independence to the Bank of Japan from April next year, allowing small and medium-sized banks to fail, a series of financial market reforms modelled on the City of London's "Big Bang" of 1986, taxation changes including the introduction of a sales tax next month, increases in shopping hours, and so on.

But so far all these reforms have failed to stimulate domestic demand. This is partly because real wage growth has



Hamish McRae

Two or three years ago many people in Japan spoke in favour of reform but were not really committed to it. Now it seems the mood has shifted

been very slow: only 1.8 per cent in 1995 and 1.7 per cent in 1996. It is also because of a rise in insecurity among the workforce. The chart shows how the official registered unemployment rate remains above 3 per cent. This sounds very low by European standards but it would probably translate to 6-7 per cent using other countries' methods of recording.

The chart also shows how the ratio between job seekers and job offers has improved recently to stand at roughly the level of the 1970s and early 1980s, which might look positive. But it has stabilised with unemployment, even published unemployment, at a much higher level. Anecdotal evidence from Japan suggests that this is because there is a mismatch between the demand for workers and the supply. The demand is apparently in lower-paid and part-time work, whereas the job-seekers are looking for higher-paid full time work. Consumer demand is stagnant partly because of rising insecurity, but also because of enforced downshifting among employees.

These points will be familiar to anyone accustomed to looking at the US and UK, but they

have shocked people in Japan. There has been much comment about the rise in corporate bankruptcies in Japan, much less about the impact on individuals. One effect of the combination of stagnant personal incomes and falling home and other asset prices has been a rise in personal bankruptcies.

It is against this background that the consensus among Japan's elite now is moving in favour of structural reform. Two or three years ago many people in Japan spoke in favour of reform but were not really committed to it. Now it seems the mood has shifted.

Evidence for this is still thin but there are some pointers. One concerns the Bank of Japan. Early analysis of the plans for independence concluded that, though the form would be independent, the substance of decision-making would still be controlled. Now the government is proposing that interest rate decisions will be transparent, with minutes disclosed, and the bank reporting twice a year directly to Japan's parliament, rather than to the government.

A second bit of evidence is the acceptance of the fall in share prices. For several years the government-inspired PKO, or price-keeping operation, supported share prices. But no one now believes it was wise to try and support prices. It would have been better to have had an early fall, which then could become a base for recovery.

The most substantial reason to expect change, though, comes from the cumulative impact of deregulation. Once one bit of the system is deregulated - say the hours that department stores stay open - this increases pressure for another bit of deregulation in an allied field. From conversations with senior Japanese government officials and financial leaders I am convinced that the cumulative impact of deregulation will become more than the sum of its parts. Japan now wants to change.

A blooming marvellous appliance of technology

PEOPLE & BUSINESS



David Potter: A keen gardener with green digits

David Potter, head of the Pison personal organiser group, is a man who lives and breathes his work. He is, in fact, the ultimate "digit head". It has emerged that so keen is Mr Potter on technological matters that he has "put his garden on his home computer".

The biffin has developed a computer image of the garden at his stately pile near Oxford which maps out each square foot of the estate.

He uses this digitally rendered map to remind him what is planted where, what needs doing when and how quickly various blooms are forecast to grow. No doubt he can download this essential information on to his personal organiser so he can monitor the progress of the geraniums on his travels.

Proof positive that David Potter is fighting fit after last December's heart bypass surgery. The Pison chief trounced his 15-year-old son at tennis over the weekend.

Professor George Bain, the genial Canadian who has been principal of London Business School for the last eight years, is looking forward to his new life following his decision to step down a year early. He is due to quit in July 1998, saying it is time for a new man to take the school forward.

"There is no surprise in this. I have moved jobs every seven or eight years throughout my career and my view is that more damage is done by people staying places too long than by moving on too often."

Now 44, Professor Bain is likely to spend more time on his new found love of horseriding. He has just signed up for his summer holiday riding in the Rocky Mountains in western Canada. "This is not a luxury, really English riding. This is Western riding - John Wayne-style," he tells.

Seagram Europe which is based in the Ark, the funny shaped building overlooking Hamersmith flyover.

Given that BZW is in the process of moving to Canary Wharf in London's Docklands, Mr Taylor will have to get used to life on the other side of the capital. However, BZW denies that a key part of Mr Taylor's job will be to stop people leaving because they cannot face life in Docklands.

"We have no reason to believe the move to Canary Wharf will have an adverse impact," a spokesman insists.

Looking at Mr Taylor's cv he will probably arrange jogging tours of the Isle of Dogs to show how splendid it is. A keen triathlete he has represented Britain four times at the gruelling sport which is a marathon of running, cycling and swimming.

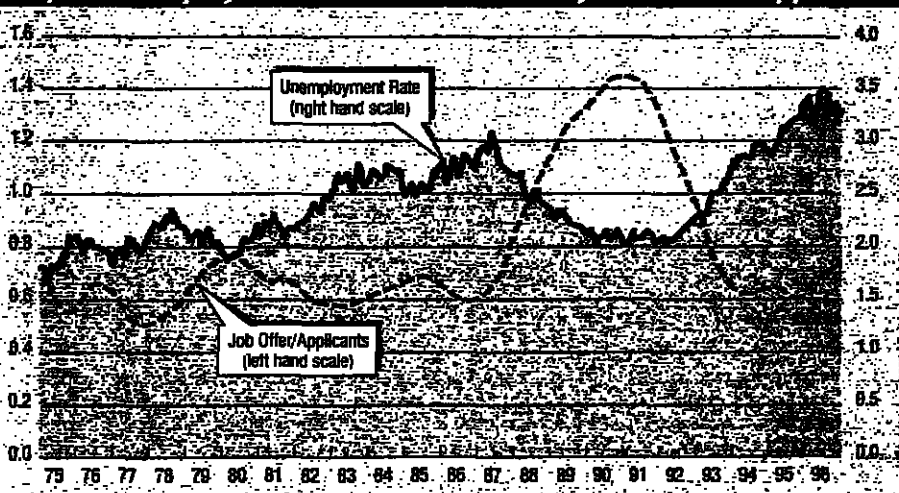
The Institute for Fiscal Studies has had a lesson in the dangers of using the Internet. Paul Ashton, a sharp-eyed researcher at Liverpool University, spotted something funny happening on the IFS's popular "Be Your Own Chancellor" page on the World Wide Web.

This allowed members of the public to try out different changes to taxes and benefits for nine "typical" categories of people, and see what the effects would be. Mr Ashton said: "The 70-year-old pensioner couple was receiving child benefit and the two-earner couple on £100,000 was getting unemployment benefit. Had old Labour taken over the welfare state?"

An investigation revealed that improvements to the web site nine days ago had resulted in the computer generating a load of gobble-deepook. "This is obviously rather embarrassing," says think-tank director Andrew Dilnot.

Nigel Cope

Japan: Unemployment rate & the ratio of job offers to applicants



Foreign Exchange Rates

Country	Spot	1 month	3 months	Spot	1 month	3 months	Spot	1 month	3 months
US	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Canada	23.99	23.95	23.90	1000	999.5	998.5	1000	999.5	998.5
Germany	172.04	171.03	170.01	1000	999.5	998.5	1000	999.5	998.5
France	163.41	162.41	161.40	1000	999.5	998.5	1000	999.5	998.5
Italy	206.14	205.14	204.13	1000	999.5	998.5	1000	999.5	998.5
Japan	168.00	167.00	166.00	1000	999.5	998.5	1000	999.5	998.5
UK	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Spain	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Sweden	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Switzerland	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Australia	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
New Zealand	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Hong Kong	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Malaysia	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5
Singapore	162.21	161.48	160.25	1000	999.5	998.5	1000	999.5	998.5

Other Spot Rates

Country	Spot	1 month	3 months	Country	Spot	1 month	3 months
Argentina	162.21	161.48	160.25	Nigeria	162.21	161.48	160.25
Australia	162.21	161.48	160.25	Oman	162.21	161.48	160.25
Brazil	162.21	161.48	160.25	Philippines	162.21	161.48	160.25
Canada	162.21	161.48	160.25	Russia	162.21	161.48	160.25
China	162.21	161.48	160.25	Saudi Arabia	162.21	161.48	160.25
France	162.21	161.48	160.25	Singapore	162.21	161.48	160.25
Germany	162.21	161.48	160.25	South Africa	162.21	161.48	160.25
Italy	162.21	161.48	160.25	Taiwan	162.21	161.48	160.25
Japan	162.21	161.48	160.25	UK	162.21	161.48	160.25
UK	162.21	161.48	160.25	USA	162.21	161.48	160.25

Forward rates quoted high to low are at a discount; subtract from spot rate. Rates quoted low to high are at a premium; add to spot rate. *Dollar rates quoted as reciprocals. For the latest foreign exchange rates call 0891 123 3033. Cable cost 50p per minute (day rate) 45p after hours.

Interest Rates

Country	Rate	Country	Rate	Country	Rate
UK	6.00%	Germany	5.50%	US	5.75%
France	5.50%	Italy	5.50%	Japan	5.50%
Canada	5.50%	Spain	5.50%	Sweden	5.50%
Belgium	5.50%	Portugal	5.50%	Denmark	5.50%
Netherlands	5.50%	Greece	5.50%	Finland	5.50%
Switzerland	5.50%	Ireland	5.50%	Austria	5.50%
Australia	5.50%	South Africa	5.50%	New Zealand	5.50%
Argentina	5.50%	Chile	5.50%	Colombia	5.50%
Brazil	5.50%	Costa Rica	5.50%	Cuba	5.50%
China	5.50%	Czech Republic	5.50%	Dominican Republic	5.50%
India	5.50%	Ecuador	5.50%	El Salvador	5.50%
Indonesia	5.50%	Honduras	5.50%	Guatemala	5.50%
Israel	5.50%	Paraguay	5.50%	Haiti	5.50%
Italy	5.50%	Peru	5.50%	Honduras	5.50%
Japan	5.50%	Puerto Rico	5.50%	Guatemala	5.50%
UK	5.50%	Qatar	5.50%	Honduras	5.50%
USA	5.50%	Romania	5.50%	Honduras	5.50%
		Saudi Arabia	5.50%	Honduras	5.50%
		South Africa	5.50%	Honduras	5.50%
		Taiwan	5.50%	Honduras	5.50%
		Thailand	5.50%	Honduras	5.50%
		Trinidad and Tobago	5.50%	Honduras	5.50%
		Turkey	5.50%	Honduras	5.50%
		Uruguay	5.50%	Honduras	5.50%
		Venezuela	5.50%	Honduras	5.50%

Bond Yields

Country	Yield	Country	Yield	Country	Yield
UK	7.0%	Germany	5.5%	US	5.75%
France	5.5%	Italy	5.5%	Japan	5.5%
Canada	5.5%	Spain	5.5%	Sweden	5.5%
Belgium	5.5%	Portugal	5.5%	Denmark	5.5%
Netherlands	5.5%	Greece	5.5%	Finland	5.5%
Switzerland	5.5%	Ireland	5.5%	Austria	5.5%
Australia	5.5%	South Africa	5.5%	New Zealand	5.5%
Argentina	5.5%	Chile	5.5%	Colombia	5.5%
Brazil	5.5%	Costa Rica	5.5%	Cuba	5.5%
China	5.5%	Czech Republic	5.5%	Dominican Republic	5.5%
India	5.5%	Ecuador	5.5%	El Salvador	5.5%
Indonesia	5.5%	Honduras	5.5%	Guatemala	5.5%
Israel	5.5%	Paraguay	5.5%	Haiti	5.5%
Italy	5.5%	Peru	5.5%	Honduras	5.5%
Japan	5.5%	Puerto Rico	5.5%	Guatemala	5.5%
UK	5.5%	Qatar	5.5%	Honduras	5.5%
USA	5.5%	Romania	5.5%	Honduras	5.5%
		Saudi Arabia	5.5%	Honduras	5.5%
		South Africa	5.5%	Honduras	5.5%
		Taiwan	5.5%	Honduras	5.5%
		Thailand	5.5%	Honduras	5.5%
		Trinidad and Tobago	5.5%	Honduras	5.5%
		Turkey	5.5%	Honduras	5.5%
		Uruguay	5.5%	Honduras	5.5%
		Venezuela	5.5%	Honduras	5.5%

Money Market Rates

Country	Rate	Country	Rate	Country	Rate
UK	5.5%	Germany	5.5%	US	5.75%
France	5.5%	Italy	5.5%	Japan	5.5%
Canada	5.5%	Spain	5.5%	Sweden	5.5%
Belgium	5.5%	Portugal	5.5%	Denmark	5.5%
Netherlands	5.5%	Greece	5.5%	Finland	5.5%
Switzerland	5.5%	Ireland	5.5%	Austria	5.5%
Australia	5.5%	South Africa	5.5%	New Zealand	5.5%
Argentina	5.5%	Chile	5.5%	Colombia	5.5%
Brazil	5.5%	Costa Rica	5.5%	Cuba	5.5%
China	5.5%	Czech Republic	5.5%	Dominican Republic	5.5%
India	5.5%	Ecuador	5.5%	El Salvador	5.5%
Indonesia	5.5%	Honduras	5.5%	Guatemala	5.5%
Israel	5.5%	Paraguay	5.5%	Haiti	5.5%
Italy	5.5%	Peru	5.5%	Honduras	5.5%
Japan	5.5%	Puerto Rico	5.5%	Guatemala	5.5%
UK	5.5%	Qatar	5.5%	Honduras	5.5%
USA	5.5%	Romania	5.5%	Honduras	5.5%
		Saudi Arabia	5.5%	Honduras	5.5%
		South Africa	5.5%	Honduras	5.5%
		Taiwan	5.5%	Honduras	5.5%
		Thailand	5.5%	Honduras	5.5%
		Trinidad and Tobago	5.5%	Honduras	5.5%
		Turkey	5.5%	Honduras	5.5%
		Uruguay	5.5%	Honduras	5.5%
		Venezuela	5.5%	Honduras	5.5%

Tourist Rates

Country	Rate	Country	Rate	Country	Rate
UK	5.5%	Germany	5.5%	US	5.75%
France	5.5%	Italy	5.5%	Japan	5.5%
Canada	5.5%	Spain	5.5%	Sweden	5.5%
Belgium	5.5%	Portugal	5.5%	Denmark	5.5%
Netherlands	5.5%	Greece	5.5%	Finland	5.5%
Switzerland	5.5%	Ireland	5.5%	Austria	5.5%
Australia	5.5%	South Africa	5.5%	New Zealand	5.5%
Argentina	5.5%	Chile	5.5%	Colombia	5.5%
Brazil	5.5%	Costa Rica	5.5%	Cuba	5.5%
China	5.5%	Czech Republic	5.5%	Dominican Republic	5.5%
India	5.5%	Ecuador	5.5%	El Salvador	5.5%
Indonesia	5.5%	Honduras	5.5%	Guatemala	5.5%
Israel	5.5%	Paraguay	5.5%	Haiti	5.5%
Italy	5.5%	Peru	5.5%	Honduras	5.5%
Japan	5.5%	Puerto Rico	5.5%	Guatemala	5.5%
UK	5.5%	Qatar	5.5%	Honduras	5.5%
USA	5.5%	Romania	5.5%	Honduras	5.5%
		Saudi Arabia	5.5%	Honduras	5.5%
		South Africa	5.5%	Honduras	5.5%
		Taiwan	5.5%	Honduras	5.5%
		Thailand	5.5%	Honduras	5.5%
		Trinidad and Tobago	5.5%	Honduras	5.5%
		Turkey	5.5%	Honduras	5.5%
		Uruguay	5.5%	Honduras	5.5%
		Venezuela	5.5%	Honduras	5.5%

Life Financial Futures

Contract		Settlement price
Long Gt	(Mar 97)	111.29
Caribbean Gvt Bd	(Jun 97)	101.67
Japan Gvt Bd	(Mar 97)	119.19
Japan Gvt Bd	(Mar 97)	128.92
3 Mth Sterling	(Mar 97)	93.76
	(Jun 97)	93.57
3 Mth Eurosmk	(Mar 97)	93.76
	(Jun 97)	96.76
3 Mth Eurosmk	(Mar 97)	92.68
	(Jun 97)	93.11
3 Mth Euroyen	(Jun 97)	99.42
3 Mth Euroswiss	(Mar 97)	99.14
	(Jun 97)	98.17
3 Mth ECU	(Mar 97)	95.75
	(Jun 97)	95.77
FTSE 100	(Mar 97)	4020.0
FTSE 250	(Mar 97)	4710.0



Cheltenham Festival
Full colour guide to the
opening day's action, page 22

sport

Big Ben marking time
Ben Clarke talks about life on the
England bench, page 21

England chief's comments leave bitter taste

Cricket

DAVID LLEWELLYN

Just days after the England hierarchy decided that Test players needed a charm school to improve their image, the country's top administrator conjured up a public relations disaster on two fronts.

Tim Lamb, the chief executive of the England and Wales Cricket Board, launched a startling attack on the team and their coach, David Lloyd, and then bewildered

by disappointing and I think the way in which the England team have conducted themselves recently is also disappointing," Lamb said. "I am MacLaurin [the ECB chairman] and I were absolutely horrified by what we saw in Zimbabwe. We were very, very disturbed by some of the things we came across."

Lloyd was criticised for his "we murdered them" reaction to the drawn first Test against Zimbabwe. "We thought David Lloyd's comments were completely inappropriate," Lamb said.

He and MacLaurin were not impressed with the way the England team presented themselves. "We understand their demeanour was fairly negative and not particularly attractive," he said. "Their dress left a lot to be desired. That was a factor in Test Bitter not renewing their sponsorship. Things improved in New Zealand, but there is a long way to go."

Lloyd, taking a leaf out of the PR handbook, reacted cautiously. "It is difficult to comment without checking with Tim to see what criticism he has put forward. I will have to get in touch with him. Beyond that I can't comment, and I'm not sure I'll want to react after that."

Tetley had no such misgivings. The brewer is in the last year of its sponsorship which began in 1991, and a spokesperson said yesterday: "We are dropping the sponsorship for marketing-led reasons. We have had a long and fruitful partnership with the TCCB and it's done a lot for brand awareness, but things move on, and this year we are having a major relaunch of Tetley with a new brand identity."

"The England sponsorship is still an important part of our programme this summer. We are putting a lot behind this summer's Test series between England and Australia. The Ashes are always a great point of interest and we will be focusing on that for the summer. We are a little bit baffled by the comments. We are going into the Ashes series very positively. We want to go out with a bang."

Festival attracts animal activists

Racing

GREG WOOD

The Cheltenham Festival, which begins today, will produce its usual share of surprising statistics, not least with regard to the amount of food and drink the racers are preparing to tackle head on. One total, however, which all concerned will not want to see repeated is the double-figure body count which marred the festivities 12 months ago.

It is a statistical certainty that horses will die this week - the average is about one fatality each day - but the exceptional tally of 10 deaths last year has placed the meeting under the sort of scrutiny generally reserved for the Grand National. The racecourse authorities have made several changes to the track with safety in mind, but it still seems likely that, for the first time, this year's Festival will attract significant protest action by animal rights activists.

A demonstration will be held outside the course on Thursday, Gold Cup day, by Animal Liberation, an umbrella organisation covering several local animal rights groups. "The Gold Cup should have been scrapped this year in memory of the 10 horses which died," James, a spokesman for Animal Liberation, said yesterday. "We're not going to stop the race, but we want to show how disgusted we are. Horses don't have the opportunity to make a decision whether to go out there or not."

The racecourse authorities, however, insist that every possible safety precaution has been taken. New rules should eliminate such potential distractions for horses as fluorescent jackets and photographers by fences, while a prolonged watering programme has produced good ground even after one of the driest winters in memory. "This course is in the best condition I've ever seen it at this time of year," Philip Arkwright, the clerk of the course, said yesterday. "But of course you can always have misfortunes. Steeplechasing is a dangerous game."

Punters, meanwhile, must brace themselves for what is often an unequal struggle with the old enemy, but at least there is no concern that the Guinness might cost more at the end of the meeting than it did at the beginning. By next year, though, it seems that an incoming Labour government may have reinstated the second Tuesday in March as Budget day. Surely backers have enough to worry about with just the one set of people attempting to redistribute their wealth.



The Olympic gold medalist Daley Thompson (right) joins Robbie Earle at Wimbledon's training session yesterday. The Dons entertain Leicester in the semi-finals of the Coca-Cola Cup tonight. Photograph: Allsport

Forest sign £4.5m Van Hooijdonk

Football

NICK DUXBURY

Nottingham Forest yesterday spent a club record £4.5m on a Dutchman who has spent the last six months embroiled in a bitter pay dispute with Celtic.

Pierre van Hooijdonk, who rejected the Scottish club's offer of £7,000 a week with the line "it might be enough for the homeless, but not for an international striker", intends to endear himself with the working-class supporters at the City Ground by scoring the goals that will keep Forest in the Premiership. More than that, the 6ft 4in striker's solidarity is such that even if the worst happens he will not leave.

The 27-year-old Van Hooijdonk, who makes his debut at Blackburn Rovers tonight, has signed a five-year contract devoid of a quick-release clause.

"I've certainly not insisted on any clause in my contract allowing me to leave if Forest are relegated," he said "I will do everything in my power in the coming weeks to help the other players see that we survive. But, if the worst happens, I will be here next season."

Celtic received £3m up front, with fourth-from-bottom Forest paying a further £500,000 if they stay up and another £1m if Van Hooijdonk scores 20 times in each of the next two seasons.

The signing is the first move into the transfer market since since the takeover of Forest gave the management team of Stuart Pearce and Dave Bassett a £16m kitty for new players.

For Pearce, the deal, which broke the club's previous transfer record of £2.5m for Bryan Roy in 1994, is all about class. "He's an international class player and you always want class players on your side."

Pearce said, "I don't see that there's an extra responsibility on him because of our predicament, but I am sure he can help us in our bid to get out of the spot of bother we are in."

Cadete doubt for Celtic

WYN GRIFFITHS

Celtic's surfeit of strikers has been reduced with the sale of Pierre van Hooijdonk to Nottingham Forest but with injury doubts affecting both Paolo Di Canio and Jorge Cadete for tonight's visit to Rugby Park, Tommy Burns may yet rue the timing of the Dutchman's transfer.

Celtic will attempt to close the gap on Rangers to two points, but Di Canio has to shake off a hamstring injury and the leading goalscorer, Cadete, is also struggling to be fit.

"Is Cadete carrying an injury? No more so than maybe half a dozen players at this stage of the season," Burns said.

"I don't think any player will be feeling 100 per cent considering the number of the games they have had but there isn't a problem with Jorge at the moment. Paolo is still a doubt and if there is any risk attached to playing him then I won't."

Celtic must be single-minded in our approach. We have eight games left and we have to get every point we can but at the moment I am only thinking about one game."

Burns has had to lift his side after an Old Firm defeat many times in the past and now wants to try and maintain the high achieved by last Thursday's win over Rangers.

"There's no reason why anything needs to drop. It could be the making of us if we keep showing the same desire and determination nothing should stand in our way."

Kilmarnock have a goal-keeping problem with Dragoje Lekovic on international duty with Yugoslavia, so the former Scotland Under-21 international Colin Meldrum is expected to play in his stead.

Wimbledon move for Eadie

ALAN NIXON

Wimbledon have made a bid valued at around £3m to sign the Norwich City striker, Darren Eadie. The Dons' manager, Joe Kinnear, has offered about £2m in cash plus two of his squad players in return for the former England Under-21 international, who can play on the wing or down the middle.

Queen's Park Rangers have renewed their interest in Stoke City's top scorer, Mike Sheron, by tabling a £2.5m offer for the 21-goal striker. Both the Loftus Road club and West Ham had offers turned down earlier this season. Lou Macari, the Stoke manager, said yesterday he would "discuss the situation" with Sheron.

Tranmere's Ged Brannan is to join Manchester City for £750,000. Frank Clark, the Maine Road manager, has had his bid for 25-year-old Brannan, a versatile defender or midfielder, accepted by the Prenton Park club.

Peterborough have offered a fresh chance to the defender Roger Stanislaus, who was banned for a year by the Football Association after testing positive for cocaine. Barry Fry has signed the left-back on an 18-month contract. Stanislaus, 28, was found guilty of using cocaine in February last year, and last month rejected an opportunity to relaunch his career at Notts County.

THE INDEPENDENT CROSSWORD
No. 3243, Tuesday 11 March By Aclred Monday's Solution

1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27
28	29	30	31	32	33	34	35	36

ACROSS

- Imagine bereaved lady seizing new opening with prospects? (7,6)
- Look at certain spectators from the inside? (7)
- Wildly celebrate one's inclusion in work list? (7)
- A change of heart for storyteller in beastly place? (4)
- Enthusiastic English person getting older? (5)
- Go ahead, heartlessly, and annoy? (4)
- Ignore name, say, upsetting Celt? (7)
- Inebriated but doctors not to know? (7)
- Noble region of model changes to accommodate a king? (7)
- Victory here to the French motorway user? (7)
- Passage in middle of planes? (4)
- Get into hot water, say, in fiscal developments? (5)
- This took effect to entrap one? (4)
- Punish company involved in sudden rise? (7)
- Fruit eaten by a worker could be this? (7)
- Abrupt description of function without an MC? (13)
- Prospect of passé fashion? (7)
- Players violence halved formerly, and still, possibly? (13)
- Part-exchanging old car in commercial district? (7,6)
- Exciting man on exciting day? (5)
- Quite the reverse of finished and coy? (5)
- Cause injury by driving, being enfeebled through overwork? (3-4)
- The mace could be a deadly weapon? (7)
- It erupts from outlet naturally, for example? (7)
- Talk on drink where it may be produced in France? (7)
- Chestnut, say, from old actor? (4)
- Car taking motorway to part of UK? (4)

DOWN

- Is coming out and is taking legal action? (7)
- Be prolific over encounter? (4)
- Haulier is raising time of recall? (7)
- Wear had ruined tip of missile? (7)
- Ingenious enthusiasts holds one up? (4)

MORSE

Safe Deposit Box

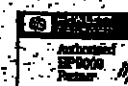


Prevention is better than cure, as they say. Although what the cure is for lost data, we're not sure.

Which is why Hewlett-Packard has teamed up with storage giant EMC Inc. to offer one of the industry's most secure and high performance data protection solutions.

MorseData is now helping some of the UK's largest corporations to implement a range of highly resilient, multi-host and network based storage systems.

The starting point is to call us for our Intelligent Storage Executive Briefing, or arrange to meet one of our consultants.



MorseData
0800 22 88 88

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